

Accountable Officer and Quality Contact

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By email

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Dear Accountable Officer and Quality Contact

## **Update on regulating student outcomes (condition B3)**

We know that universities and colleges share our aim to ensure that students from all backgrounds receive a high quality academic experience and positive outcomes, and that significant work goes on behind the scenes to continuously improve the outcomes students gain from their education.

Our published data shows that the sector delivers excellent provision and positive outcomes for students. For a small number of providers, the data also highlights outcomes for some student groups where there is likely to be room for improvement.

I'm writing now to update you on our work in this area, share some emerging themes from our assessments in case there are helpful lessons for your own institution, and to let you know how we will be taking this work forward in 2024-25.

### **Publication of condition B3 assessment case reports**

In February 2023 we opened assessments for 12 providers where student outcomes were significantly below our student outcome thresholds.<sup>1</sup> We know there are many reasons student outcomes might be lower than our thresholds, and we wanted to better understand how far the particular context for courses accounted for the outcomes shown in our indicators.

Today we published regulatory case reports for 11 of these providers.<sup>2</sup> The reports cover a variety of different types of provider, student cohorts and courses. Our assessments considered whether

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<sup>1</sup> See [Numerical thresholds for condition B3 - Office for Students](#).

<sup>2</sup> See [Assessment reports - Office for Students](#).

the context for each provider justified students' continuation, completion or progression outcomes being below our minimum thresholds.

For three providers, we concluded that the context did justify the provider's performance. We have closed these assessments and are taking no further action. For the other eight providers, we found that there was an increased risk of a breach of condition B3. For some in this group, context did justify performance; for others it did not. We have required all of these providers to take further action through improvement notices.

More detail is included in each case report. These explain why a provider was selected for assessment, the contextual information we considered, and how this informed our assessment.

### **Key themes from our assessment reports**

I have included some key themes that emerged from this first cycle of B3 assessments in Annex A. We didn't find any providers in breach of condition B3 in this first cycle of assessments, although we did find eight providers were at increased risk of breaching the condition even after we considered their particular context. We recognise that institutions have had limited time to respond to the introduction of the new thresholds in 2022, and these findings – and the corresponding action to impose improvement notices – seek to reflect that. In future assessment rounds, we may find more serious concerns or that a provider is in breach of the condition. We may also consider a wider range of regulatory action to help drive an improvement in a provider's performance, where we think that's needed.

### **Evaluating the impact of revised condition B3**

We committed to evaluating the impact of the revised condition.<sup>3</sup> For the first phase of our evaluation, Shift Learning was commissioned to conduct telephone interviews with colleagues at 40 providers. The interviews explored their understanding of the condition, their approach to self-evaluating compliance, and any early actions being taken following the introduction of the condition in October 2022. I have included the executive summary from Shift Learning's report as Annex B, and you can find the full report on our website.<sup>4</sup> The findings provide valuable insights from a cross-section of providers that will inform the operation and communication of our approach to regulating student outcomes. I'm grateful to all those who gave their time to participate, and I hope you and your teams find the insights and ideas useful when thinking about your own students' outcomes.

Shift Learning is currently working on some in-depth case studies with the help of a small number of providers that took part in the telephone interviews. These case studies aim to give us a deeper understanding of the sorts of changes being made in response to the revised condition. We plan to publish a thematic report of this evaluative work later this year.

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<sup>3</sup> See [Regulating-student-outcomes-analysis-of-responses-reformatted.pdf](#) (officeforstudents.org.uk).

<sup>4</sup> See [Evaluation of the revised condition of registration for student outcomes - Office for Students](#).

### **Next steps for condition B3**

As part of our routine data updates we expect to publish updated student outcomes data dashboards on 25 July, which include student data for 2022-23.<sup>5</sup> We hope these dashboards are a useful tool when thinking about your own student outcomes.

There is a small group of providers where there is significant scope to improve student outcomes and we are likely to engage with them to better understand their context and the action they are taking to address weaker areas of performance. We also expect to conduct a small number of assessments relating to our other quality conditions, which will include considering the student outcomes indicators published on Thursday.<sup>6</sup>

The latest dashboards will include an additional 'partnership' view that shows aggregate student outcomes for courses delivered through partnership arrangements. Given the growth in subcontractual partnerships (franchised provision) in recent years, we plan to share and start publishing outcomes data for students taught through those partnerships. In the autumn, we plan to share indicative dashboards with providers, showing student outcomes separately for each of their subcontractual partnerships. This data will show any aspects of partnership provision that may need attention. We also plan to publish some of these dashboards as a pilot this year, with a view to publishing student outcomes data for all subcontractual partnerships next year. This will provide greater transparency about outcomes for students taught through different arrangements. We will keep you updated on our plans in this area.

Finally, I would like to thank you and your teams for continuing to ensure your students achieve positive outcomes and I hope you will find our recent publications useful tools to support you in this work.

If you have any questions about this letter, please get in touch.

Yours sincerely

**Jean Arnold**  
**Deputy Director of Quality**

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<sup>5</sup> See [Student outcomes: Data dashboard - Office for Students](#).

<sup>6</sup> More information about our approach to regulating student outcomes and to regulating quality and standard is available on our website. See [Quality and standards - Office for Students](#).

## **Annex A: Common themes from condition B3 (student outcomes) assessments**

We considered the information from each provider on its own merits. As we looked at the assessments in the round, some common themes emerged:

- All assessed providers were actively engaged in initiatives designed to improve outcomes for students, many of which were started before the introduction of the revised condition. There was also evidence of condition B3 providing an impetus for improvements to be made to these initiatives, including closer alignment with the requirements of the condition.
- Most providers referred to the particular demographics or characteristics of their students as a justification for performance being below threshold. Our assessments considered each provider's performance against its benchmarks. These benchmarks take account of the particular characteristics of a provider's students by indicating the outcomes of similar students on similar courses across the sector. We typically found that student demographic factors did not justify performance below the B3 threshold in cases where a provider's performance was also below its benchmarks and there was a lack of information to demonstrate how it supported relevant groups of students. This is particularly significant as our work on condition B3 is an important part of delivering improved outcomes for students from disadvantaged groups.
- Providers referred to various actions they were taking, or planned to take, to improve student outcomes. We were more likely to consider actions to be credible where the information was detailed and specific, and demonstrated how the actions were appropriately targeted to address causes of weaker performance. We considered action plans to be more credible if there was evidence of impact, for example that the performance shown in the outcomes data was improving.
- We were more likely to view course closures as relevant context where this had taken place as part of a provider's strategic review and update of its provision. While relevant, this did not always fully explain performance that was below threshold, particularly where the closure of courses was a response to the OfS's interest. We generally viewed the performance of students studying through subcontractual arrangements (franchised provision) affecting the overall performance as relevant context where the partnership has since been terminated.
- There was some evidence of poor quality data returns, which negatively affected the outcomes data. In some instances, the provider had already identified these data errors, but in others they were identified during our assessment. For some providers in subcontractual partnerships, inaccurate data had been submitted by the lead provider, rather than by the delivery provider being assessed. We took data issues into account when reaching our decisions, though in some cases this raised questions about a provider's compliance with condition F4: Provision of information to the Designated Data Body.

## **Annex B: Executive summary reproduced from the independent evaluation report by Shift Learning: The Office for Students: Revised condition B3<sup>7</sup>**

### **Background**

This research was conducted by Shift Learning as part of a wider programme of work by the Office for Students (OfS) to evaluate revised condition B3 (hereafter largely referred to as 'B3'), which came into effect in October 2022.

Interviews were conducted in May 2023 with quality contacts from 40 higher education (HE) providers, sampled to reflect variation in financial typology and data for the B3 indicators. Participants were all in roles with responsibility for compliance with B3 and represented roles such as Academic Registrar, Head of Quality and Standards, Student Data Lead, Vice Principal and Head of Higher Education. The interviews were intended to capture open and exploratory information to understand how providers are responding to B3, looking specifically at: their understanding of the condition; how their providers approach self-evaluating compliance with B3; and what effect B3 may have had on provider behaviour and student outcomes.

### **Understanding of revised condition B3**

- Broadly, there was a good level of understanding of B3 amongst participants. They largely agreed with the overall principle and focus on providing quality student outcomes, feeling this aligned with provider aims.
- As participants in this research were all directly involved in their provider's response, they tended to rate their own knowledge of the condition as fairly strong.
- However, many were hesitant to state they had a secure understanding and worried that there may be an element that they had misinterpreted. This often stemmed from the OfS documentation being viewed as lengthy, with complex terminology, meaning important information could get lost. This was also felt to place great time and resource demands on providers to fully digest information – a particular issue for smaller providers without dedicated teams to focus on B3.
- Many participants spoke of attending initial launch webinars from the OfS, although the perceived value of these was varied. Several felt that these did not do much beyond reiterating information in the written guidance and could benefit from more question-and-answer opportunities.
- Those who had spoken one-to-one with an OfS contact had valued the opportunity to ask direct questions on any ambiguities and wanted to see more opportunities for this.
- Many were also using other networks and higher education groups to discuss B3 – valuing this collaborative approach for sharing best practice and developing their understanding.

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<sup>7</sup> See [Evaluation of the revised condition of registration for student outcomes - Office for Students](#).

- Understanding amongst wider roles within providers was rated variably and was often very role-specific.
- Some participants had delivered sessions to raise awareness and generate a provider-wide response. However, for others, this was not currently possible due to the time and resources required, with many already seeing this as a lengthy process to review documentation themselves.
- While B3 was broadly well-understood, a few individual misunderstandings or ambiguities were raised, including those related to:
  - How context is applied to data.
  - Uncertainty around consequences of non-compliance.
  - Disagreement with definitions of graduate outcomes and positive student outcomes.
  - Other specific difficulties with definitions.
  - Applicability of B3 to a range of HE qualifications.
  - Issues with data collection.
  - Issues in interpreting documentation from the OfS on B3.
- The majority of participants reported understanding the general principles by which compliance was determined, but there was confusion over exactly how context is applied to those judgements.
- While participants were aware and valued that the OfS stated context would be considered, the information was deemed too vague to know exactly how this would happen and allow providers to evaluate risk. Many wanted more detail on this – with case studies, where possible.
- This was a concern, especially amongst participants representing Group 3 providers (i.e. those more likely to be underperforming against the B3 thresholds), as the potential consequences for providers could be severe.

### **Provider self-evaluation of B3 compliance**

- The research indicated that providers were not having to overhaul their existing evaluation and quality monitoring processes as a result of B3, with many participants commenting that these were areas they monitored already. However, most were adapting these processes to more closely reflect the specific indicators used for B3, such as by adding in split metrics and changing terminology.
- Many felt that their self-evaluation approach worked well, as it largely followed their existing quality monitoring processes, which had been in place for many years.
- A large number also commented that this had added a new and useful angle to their existing monitoring, giving them top-level benchmarking, which could help highlight areas for intervention.

- Similarly, split metrics allowed them to easily see which student groups would benefit from targeted support. The dashboards were also valued by many in allowing them to further interrogate their data.
- The exact roles and teams involved in the B3 self-evaluation process varied across providers. However, there was some sense that a more ground-up approach, with more involvement and ownership of actions from the academic level, was beneficial.
- The biggest challenge in self-evaluating B3 compliance appeared to be the time and resource required, particularly in the initial knowledge-building stage and adapting existing processes to mirror B3. Those in smaller or further education providers found this process particularly cumbersome, either due to an overlap with other regulatory bodies they report to or having smaller data teams with less time to dedicate.

### **Actions as a result of B3**

- B3 was seen to have broadly positive outcomes, in that it helps providers to focus their actions. It was not seen to introduce anything hugely new to providers beyond what they already did through existing monitoring, but it did offer a framework to identify areas for intervention and evaluate success.
- Participants generally regarded B3 as a catalyst for pushing forward changes that had been instigated by other factors, with the Covid-19 pandemic and providers' financial statuses mentioned often.
- The majority of participants, particularly those from Group 1 providers (i.e. those least likely to be underperforming against the B3 thresholds), did not feel that the condition would have an effect on the strategic direction of their provider, as their current objectives and practices were already aligned with the aims of B3, around delivering positive outcomes to students.
- Conversely, several participants, particularly those from further education colleges in threshold Groups 2 and 3, were concerned that the calculation of the progression threshold did not align with their understanding of positive outcomes in this area.
- Teaching and learning and pastoral support were areas in which the most notable action had been taken by providers and, although B3 was mostly seen as a contributing factor rather than a causal link, a small number of participants saw B3 as having a direct effect. Actions varied by threshold grouping, but were largely characterised by increased support for students and greater focus on employability in specific occupations.
- Most participants did not see B3 as affecting student recruitment. However, a small number noted that changes to entry requirements, the withdrawal of creative courses in favour of more directly vocational courses, and a preference for courses with larger cohort sizes were underway at their provider.
- Participants spoke of how B3 could have an effect on their future course offerings – with those that can offer positive outcomes in line with B3 definitions likely to be prioritised.
- Despite general understanding that provider context was taken into account, a large minority still perceived cohort size and learner demographics to present vulnerabilities to smaller,

further education providers, in light of B3. As such, they had concerns around the effect of B3 on widening participation.

### **The effect of B3**

- Most participants saw B3 as having a positive effect on providers through clarifying and solidifying expectations, which was also seen to aid internal communication of standards.
- Generally, it was seen as a framework by which best practice and areas for improvement would be identified, in order to generate targeted responses.
- However, there was some concern from a few that, in the long term, B3 may discourage providers from providing flexibility to their students, by introducing stricter policies around early interventions, extensions and deferrals for students that were seen as at risk of non-completion, to the particular disadvantage of learners with characteristics associated with widening participation. This was often raised as a concern for the future but a small number had already brought in early interventions such as these.
- There was also a common concern around the extent to which B3 could encourage providers to be more risk-averse in future, and the effect this could have on the restriction of course portfolios, willingness to enter provider partnerships, and innovations in pedagogy. Changes to course provision had already taken place at a small number of providers although it was rare that such changes were currently being attributed directly to B3.
- More immediately, the effect of resourcing for self-evaluating and developing responses to B3, on top of quality interventions providers were already undertaking, was seen to disadvantage smaller providers in particular.