

Chief executive's report

Board's primary role in relation to this paper:

- A. Set strategy
- B. Set risk appetite
- C. Oversee performance
- D. Understand context

Purpose

1. This paper provides an update on work undertaken and issues that have arisen since the last board meeting on 4 July 2024 to the extent that they are not covered in other board papers.

Decisions requested

2. The board is invited to note the updates contained in this paper.

Paper publication

3. To be published externally along with the board papers with appropriate exemptions.

For further information, please contact Susan Lapworth, Chief Executive.

Quality and standards

Our strategic goal is:

Students receive a high quality academic experience that improves their knowledge and skills, with increasing numbers receiving excellent provision.

Quality case work

4. We have now published the last of our 11 quality assessment reports and have so far met with ten of these providers to discuss our findings and to provide opportunities to feedback to us on the process.¹ We have begun to make provisional decisions about providers' compliance with conditions of registration and to consider further regulatory action. We have made provisional decisions for two cases: exempt from publication.
5. We have been seeking feedback on our approach to quality assessment, including through a roundtable with sector representative groups, to inform our future approach.
6. In July we published the outcomes of 11 assessments of compliance with condition B3 (student outcomes).² In eight of these cases, we found concerns and imposed improvement notices on the provider. We expect to conclude a final case in October. Initial feedback has been that the published case reports are clear and helpful.
7. In July we published the annual update to our student outcomes data dashboards.³ Publication had been delayed due to issues experienced with the first year of delivery by Jisc of the Data Futures platform.
8. As part of our work relating to subcontractual arrangements, in early September we released to all lead providers a breakdown of student outcomes data for each of their delivery partners. We intend to publish such data from next year, following a pilot with around 20 providers this autumn.

Teaching Excellence Framework (TEF)

9. We have commissioned an external evaluation of the early impact of the TEF and fieldwork is currently in progress. We have also commissioned work to understand prospective students' awareness and use of TEF ratings to inform their decisions about what and where to study. We expect the evaluations to conclude by the end of this year, and for the findings to inform the development of proposals for the next TEF exercise, as part of an integrated approach to quality.

¹ See: <https://www.officeforstudents.org.uk/for-providers/quality-and-standards/quality-assessment-for-registered-providers/assessment-reports/>

² See: <https://www.officeforstudents.org.uk/for-providers/quality-and-standards/how-we-regulate-student-outcomes/assessment-reports/>

³ See: <https://www.officeforstudents.org.uk/data-and-analysis/student-outcomes-data-dashboard/data-dashboard/>

Our strategic goal is:

Students are rigorously assessed, and the qualifications they are awarded are credible and comparable to those granted previously.

Credibility of awards

10. Our investigations into the credibility of awards are continuing. We have been undertaking detailed analysis of documentary evidence, data submitted by the providers, and further modelling of student cohort achievement data. We are now finalising assessments and plan to reengage with the providers this autumn.
11. In September we published the latest edition of our annual [analysis of degree classifications](#) over time, which includes data for students graduating in the 2022-23 academic year.⁴ The analysis showed that recent increases in the awarding of top degrees have slowed, and rates of top grades have returned to pre-pandemic levels.

Apprenticeship end-point assessments

12. We have 37 open monitoring assessments, have carried out 25 onsite provider visits, and signed off 12 assessment reports to date. Current assessments relate to the following four apprenticeship standards: Police Constable; Advanced Clinical Practitioner; Digital and Technology Solutions and Digital and Technology Solutions Specialist. We have had good engagement from providers, and we are seeing evidence of good practice and positive outcomes for apprentices. In August we reviewed our assessment approach to inform and make efficiencies for the next tranche of assessments. We have now developed and planned the approach for year two activity and planned the next 12 assessments.

Our strategic goal is:

Providers secure free speech within the law for students, staff and visiting speakers.

Implementation of the Higher Education (Freedom of Speech) Act 2023

13. On 26 July, the government announced that it was pausing further implementation of the Higher Education (Freedom of Speech) Act 2023 (HEFSA) and would consider options for HEFSA in the future, including its repeal. We have therefore paused our work on implementation of HEFSA whilst ministers consider the approach they wish to take to free speech matters. We had been ready to implement the new provisions on 1 August as planned.

Exempt from publication

14. Exempt from publication.

⁴ See: <https://www.officeforstudents.org.uk/news-blog-and-events/press-and-media/proportion-of-top-grades-falls-to-pre-pandemic-levels-but-nearly-half-are-still-unexplained/>

Our strategic goal is:

Graduates contribute to local and national prosperity, and the government's 'levelling up' agenda.

15. We have published the second interim evaluation report into the Postgraduate conversion course in data science and artificial intelligence.⁵ The evaluation reported high levels of demand for courses, with over 4,700 students registered, and over 90 per cent of available scholarships awarded to target students from underrepresented groups.

Equality of opportunity

Our strategic goal is:

Students' access, success and progression are not limited by their background, location or characteristics.

16. We are currently assessing new access and participation plans for 2025-26 onwards. We have assessed and approved all 39 plans for early recruiting providers. We are now assessing plans from 157 standard recruiting providers.
17. On 2 September we launched bidding guidance for our new Equality in Higher Education funding scheme.⁶ This will distribute up to £2 million for collaborative projects to support new ideas and innovations in delivering equality of opportunity. Providers have until 25 October to submit their bids for funded projects, which we expect would start in early 2025.

Our strategic goal is:

Prospective students can choose from a diverse range of courses and providers at any stage of their life, with a wide range of flexible and innovative opportunities.

Registration

18. Since May we have registered three providers including the first two following an assessment of quality and standards undertaken by the OfS. We have received 15 new registration applications including two applications to change registration category and one application to de-register and register a child entity of a currently registered provider.
19. We have closed a further seven applications through withdrawal or writing to providers to advise that we will not take their applications any further. This includes two cases that had been in progress for a significant period.

⁵ See: <https://www.officeforstudents.org.uk/publications/ai-and-data-science-postgraduate-conversion-course-scholarship-programme-second-interim-evaluation/>

⁶ See: <https://www.officeforstudents.org.uk/news-blog-and-events/press-and-media/2-million-funding-scheme-to-boost-equality-of-opportunity/>

20. We have taken decisions to commence a further three assessments of quality and standards for providers seeking registration, bringing the total open to 13. We have now finalised a further four reports, bringing the total to six. We are considering updated financial information submitted by providers to coincide with the completion of these assessments before taking a decision about registration. A further three reports are close to being finalised, including one negative assessment.
21. We have completed our first quality assessment of a registered provider that was required by a specific condition imposed at registration.

Degree Awarding Powers (DAPs)

22. Since May we have opened four further DAPs quality assessments, which takes the total number of open DAPs assessments to 23. We have completed six assessments. Demand for DAPs remains high and we have scheduled cases through the remainder of the 2024-25 business plan year and confirmed provisional start dates with the majority of new applicants.

Recurrent funding for 2024-25

23. On 29 July we announced allocations of OfS funding for the 2024-25 academic year.⁷ We are distributing £1,426 million of funding across the year, with £1,402 million in recurrent grant and £24 million for national facilities and regulatory initiatives. Funding will be shared by 345 providers registered in the Approved (fee cap) category.

Degree apprenticeship funding

24. On 1 October we announced the outcomes of the third wave of the Degree Apprenticeship competition fund. 33 providers are being funded, sharing £14.2m of the £40m total fund. 13 providers have not previously delivered degree apprenticeships.⁸ All funded providers were required to demonstrate a strong focus on equality of opportunity.

Our strategic goal is:

Providers act to prevent harassment and sexual misconduct and respond effectively if incidents do occur.

Regulating harassment and sexual misconduct

25. We announced on 31 July that we are introducing a new ongoing condition of registration to require providers to tackle harassment and sexual misconduct.⁹ The main provisions of the condition take effect on 1 August 2025, with a requirement that prohibits NDAs coming into effect on 1 September 2024.

⁷ See: www.officeforstudents.org.uk/publications/recurrent-funding-for-2024-25/. See

www.officeforstudents.org.uk/for-providers/finance-and-funding/recurrent-funding/funding-allocations/

⁸ See: <https://www.officeforstudents.org.uk/news-blog-and-events/press-and-media/third-wave-of-40-million-degree-apprenticeships-funding-competition-announced-by-the-office-for-students/>

⁹ See: <https://www.officeforstudents.org.uk/news-blog-and-events/press-and-media/new-ofs-condition-to-address-harassment-and-sexual-misconduct/>

26. We published our analysis of consultation responses, the text of the new condition and underpinning guidance, and other supporting material. At the same time, we published the findings of our pilot survey of sexual misconduct in higher education.¹⁰
27. Our decision to introduce a new condition was widely covered in the national press and generally well received. We are hosting two webinars on our new requirements. More than 500 people attended the first webinar aimed at providers on 25 September, and at the time of writing more than 90 people have signed up for the webinar for students and student representatives on 16 October 2024.

Our strategic goal is:

Providers encourage and support an environment conducive to the good mental health and wellbeing that students need to succeed in their higher education.

Student mental health

28. In July, Student Space reported to us on its achievements over the previous six months. It has developed new core content, influenced by student advisors and feedback from users of the site. This includes student stories, and advice on issues such as how to budget student finance over the summer and managing the pressure of deadlines at university. A tailored content package called 'Life as a Black Student' was published in June and July following collaborative development including with a steering group of eight black students.
29. Registration for the 2024-25 University Mental Health Charter Programme closed in July. 112 English providers are now members of the programme.

¹⁰ See: <https://www.officeforstudents.org.uk/publications/sexual-misconduct-prevalence-survey-pilot-2023-evaluation/>

Enabling regulation

Our strategic goal is:

Providers are financially viable and sustainable and have effective governance arrangements.

Financial sustainability

30. Our May 2024 report on financial sustainability showed a declining financial picture with the sector projecting increasing deficits and decreasing liquidity for 2024-25 and weak finances beyond this. We were concerned that even this weak financial projection was based on forecasts that were too optimistic about levels of UK and international student recruitment. In aggregate the sector was forecasting growth in UK entrants of +6.2 per cent and international entrants of +7 per cent in 2024-25. We therefore tested providers' data against a range of scenarios where recruitment was much lower. This showed that the challenge in mitigating the financial impact of reductions in recruitment would be significant. Following publication of our report many providers revised their recruitment expectations.

31. Exempt from publication.

32. We are engaging specialist professional services consultants to undertake financial assurance reviews for a number of providers facing significant financial challenges. We are also diverting resources into provider engagement and our financial assessment functions where possible.

33. We intend to publish a short update to our May publication, in November 2024, to set out updated modelling estimates. Most large providers will submit updated and comprehensive financial data and revised forecasts from December 2024. We are also considering a more frequent collection of core financial data (principally, operating performance and liquidity) from providers during 2025.

Protecting public funding

34. We published an Insight Brief on subcontractual provision on 3 September.¹¹ This set out our expectations for how providers in subcontractual (franchising) arrangements should ensure that the interests of students and taxpayers are protected, and explained our view that a business model that involves significant subcontractual activity represents increased risk.

35. We have met with [number exempt from publication] providers to have focused face-to-face discussions about our concerns about management and governance and oversight of partnership activities. Exempt from publication.

36. Exempt from publication.

¹¹ See: <https://www.officeforstudents.org.uk/publications/subcontractual-arrangements-in-higher-education/>

Our strategic goal is:

Students receive the academic experience they were promised by their provider and their interests as consumers are protected before, during and after their studies.

National Trading Standards cases

37. We published case reports in July 2024 which set out the outcomes for three cases we had referred to National Trading Standards.¹² Each case report highlighted the contractual terms we were particularly concerned about and why we considered these to be potentially unfair and non-compliant with consumer law. The publications attracted a small amount of media coverage.

38. Exempt from publication.

Our strategic goal is:

The OfS minimises the regulatory burden it places on providers, while ensuring action is effective in meeting its goals and regulatory objectives.

Student data returns

39. We are monitoring Jisc's progress in delivering the 2023-24 student data collection. Jisc reports variable progress from providers across the sector and is actively chasing large providers that have yet to submit data. We anticipate significant progress by mid-October.
Exempt from publication.

40. The independent review into Jisc's delivery of the Data Futures programme in 2023 is in its final stages. PwC has submitted a draft report and we expect to share findings with the board at its December meeting.

Exempt from publication

41. Exempt from publication.

42. Exempt from publication.

43. Exempt from publication.

44. Exempt from publication.

45. Exempt from publication.

¹² See: <https://www.officeforstudents.org.uk/for-students/student-rights-and-welfare/protecting-students-consumer-rights/consumer-rights-case-studies/>