



Chief executive's report

Purpose

1. This paper provides an update on work undertaken and issues that have arisen since the last board meeting on 13 July 2022, to the extent that they are not covered in other board papers.
2. The paper is structured around the headings and goals of the OfS strategy 2022-2025 and therefore provides a progress report in delivering those goals.

Recommendations/decisions required by the board

3. The board is invited to:
 - a. Note the updates contained in this paper.
 - b. Note the OfS communications overview at Annex A.
 - c. Note the risk report at Annex B.

Further information

4. Available from Susan Lapworth.

Summary of main activity

5. On 8 September 2022 Buckingham Palace announced the death of Her Majesty The Queen. We paused all external communications – including social media – in line with government guidance.
6. The Rt Hon Kit Malthouse MP was appointed Secretary of State for Education on 6 September 2022, while Andrea Jenkyns MP was reappointed Parliamentary Under Secretary of State (Minister for Skills) at the Department for Education with effect from 8 September. In addition, Kelly Tolhurst MP was appointed as a Minister of State in the Department for Education on 7 September, with Jonathan Gullis MP appointed Parliamentary Under Secretary of State in the Department for Education with effect from 8 September.
7. We are paying particular attention currently to cost of living issues for students, providers and the OfS as an organisation. Directors have been discussing the potential impact of these issues, with more information available in the relevant sections of this report below.

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.

Business and management investigations

8. On 26 May we announced that we had opened investigations into business and management courses in eight providers.¹ We launched our recruitment for assessors to undertake assessments for these investigations in late May. We received over 300 applications and held assessment centres to determine suitability through the summer. We have now appointed 54 assessors who will form a panel from which we can draw to form assessment teams for individual providers. We expect to undertake further recruitment to widen the expertise available in the panel in November 2022 which will enable us to launch a second set of investigations in early 2023.
9. We have completed recruitment of additional OfS staff to manage and undertake quality investigation activity.
10. We are now ready to commence the next stage of work which involves requesting information from providers in relation to their business and management courses in order to undertake initial assessment and finalise lines of enquiry. We will also start scheduling visits to providers which will begin in the autumn.

Review of blended learning

11. Our review of blended learning is nearing conclusion. The review panel's report is being finalised and we expect to be able to set out publicly the OfS's views about the likely compliance of different approaches to blended learning in October. Our Quality Assessment Committee was briefed on the emerging findings from the review on 12 September 2022.

Student outcomes

12. Revised condition B3 relating to student outcomes will come into effect from 3 October 2022, with the full details of the implementation period set out in '[Regulatory advice 20: Regulating student outcomes](#)'. We will be taking a number of final decisions, including in relation to setting minimum numerical thresholds and publishing revised and improved data dashboards by the end of September 2022. We expect to undertake assessments of compliance with revised ongoing condition B3 for around 20 providers this year and set out in regulatory advice 20 the framework we will use to make decisions about which providers to select for assessment.

The TEF

13. On 26 July we published [the outcomes of our consultation on the TEF](#). We decided to extend the TEF submission deadline to mid-January 2023, with operational guidance on the TEF to be published by the end of September 2022. Based on current information, we estimate that

¹ www.officeforstudents.org.uk/news-blog-and-events/press-and-media/regulator-opens-investigations-into-quality-of-higher-education-courses/

around 300 providers will take part in the TEF, either because they are required to do so or because they will choose to make a submission. We are currently assessing applications to join the TEF panel and expect to appoint around 60-70 members during October.

Our strategic goal is:

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

Grade inflation investigations

14. We published an [insight brief on grade inflation](#) on 20 July 2022. Our latest analysis of changes in degree classifications found that, between the academic years 2010-11 and 2020-21, the proportion of first class degrees awarded in England has more than doubled, from 15.7 per cent in 2010-11 to 37.9 per cent in 2020-21.
15. Our view is that grade inflation is bad for students, graduates and employers, and damages the reputation of English higher education. This does not mean that we assume all improvements in degree classification are unmerited, and we understand that different factors may have been in play during the pandemic. However, the most disruptive aspects of the pandemic will now no longer be placing pressure on providers' assessment practices. We therefore expect the most recent increases in higher classifications to revert to their pre-pandemic levels. We welcome the clear position taken by Universities UK on this issue.
16. We remain concerned about the long-run increase in higher classifications over more than a decade. We announced on 2 September that we have opened [investigations at three providers](#) to examine the reasons for sharp increases in the rates of students being awarded first and upper second class degrees. The investigations will examine the providers' compliance with condition B4 which relates to assessment and awards.
17. Exempt from publication.
18. Exempt from publication.
19. Exempt from publication.
20. The decisions to open these investigations mean that we have identified potential concerns that require further scrutiny at the three providers. However, it should not be interpreted as indicating that any form of wrongdoing has taken place in any of the providers concerned. We are not naming the universities and colleges under investigation at this stage. However, we expect to publish further details in due course, as our investigations progress.
21. There was [significant media coverage](#) for the announcement of these investigations, with coverage across BBC radio news bulletins, including on the Today programme, and in the Times, [Daily Telegraph](#), [Guardian](#), the I newspaper, [Independent](#), Metro as well as sector and local media.

Our strategic goal is:

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

Freedom of speech

22. On 7 September, I was invited to give evidence to the Education Select Committee on the topic of 'free speech and research content in English universities'. The session included the vice-chancellors of the University of Essex and the University of Sussex. The Committee was particularly interested to understand the approach being taken by different universities to the use of 'trigger' or 'content' warnings in teaching and the reported removal of certain texts from some higher education courses. I explained providers' obligation to take steps to secure free speech within the law and how the OfS would assess compliance with that duty through our existing regulatory requirements and, in the future, under any requirements imposed if Parliament passes the Higher Education (Free Speech) Bill.
23. We continue to engage with the Department for Education regarding the provisions in the Free Speech Bill and the implications of these for the OfS's work.
24. We continue to consider matters connected to freedom of speech and academic freedom at the University of Sussex.

Prevent

25. We published the [2020-2021 Prevent monitoring report](#) on 15 July 2022. The report included data on how providers managed individual cases as part of their Prevent duty. 47 cases were subject to formal referral to external Prevent agencies, with 15 identified as potential extreme right-wing radicalisation and 14 as potential Islamist radicalisation.
26. We also published data relating to external speakers and events. The data shows that 19,407 events were held by universities and colleges with external speakers in 2020-21, with 193 speaker requests or events rejected. A further 632 events were approved subject to mitigations. These data generated significant coverage, with the story running on the front page of the [Daily Telegraph](#). There were also pieces in the [Times](#), [Independent](#), [Mail](#), [PA](#), [WonkHE](#), [THE](#) and [University Business](#). The PA piece was reprinted across a significant number of local outlets.

Our strategic goal is:

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

Funded programmes

27. DfE has made available £2.5m over three years for bursaries for loan-funded students taking short courses developed through the HE Short Course (HESC) trial. On 18 July, we invited the 22 providers funded through the (HESC) challenge competition to express their interest in participating in the HESC Study Support Bursary Scheme. 17 providers confirmed they would like to participate and we distributed £250,000 (50% of the first year of bursary funding) to these providers on 31 August.
28. On 3 August, we published the [evaluation of the student engagement in knowledge exchange programme](#). The programme supports 20 projects to develop and share understanding of effective practice in student engagement in knowledge exchange and the evaluation is intended to inform ongoing policy and investment. Three interim reports from the evaluation of funded projects were published. The final evaluation report will be published in summer 2023.
29. We also published the final report on the [evaluation of the National Data Skills pilots](#). This project was funded by the Department for Digital, Media, Culture and Sport (DCMS) to explore how universities enable students on courses without a significant data science element to develop foundational data skills.

Lifelong Loan Entitlement

30. We continue to work closely with the Department for Education as it continues to develop the Lifelong Loan Entitlement. We anticipate that we may need to adapt aspects of our regulatory approach to support these reforms, for example, we have committed to consulting on any new indicators that may be needed to allow us to regulate student outcomes on modular courses effectively. We intend to expand our work in this area as government decisions are made on the approach to be taken to revising the student support regulations and other pieces of legislation that are relevant to the OfS.

Equality of opportunity

Our strategic goal is:

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

2022 admissions cycle

31. We [responded to A-level and BTEC results day](#) on 18 August 2022. As in previous years, DfE and UCAS took the lead on communications during this period. Ahead of results day, John Blake was interviewed in the [Daily Telegraph](#).

32. The 2022 admissions cycle was characterised by cautious offer-making by more selective providers and for highly competitive courses. This resulted in an increase in the number of students free to be placed in clearing: 15 days after A-level results there were 10,500 more 18 year-old, English domiciled students free to be placed compared to 2021. We are working with UCAS to understand the characteristics of these students and whether the pattern this year has implications for equality of opportunity. Despite the increase in unplaced students, early indications are that the gap in the entry rate between POLAR4 quintile 1 (the least likely to enter higher education) and POLAR4 quintile 5 (the most likely to enter higher education) has narrowed in both relative and absolute terms compared to 2021 and 2020. In absolute terms the gap is slightly higher than in 2019 but is proportionately lower, reflecting increases in entry rates over the period.
33. There remains considerably uncertainty about the long-term impact of the coronavirus pandemic on the students admitted to higher education this year, and on those not admitted. If it is accepted that the length of time schools were closed during the pandemic must have resulted in some lost learning, the current entry cohort will know less than their predecessors in 2019. We have consistently reminded providers that they need to ensure adequate support is in place to deal with students' knowledge gaps. However, there will also be students who did not achieve the outcomes needed to attend higher education but who perhaps would have done had the school closures not occurred: where those students go and whether the normal routes forward in their education and careers will be sufficient is not clear.

Access and participation plans

34. Regulatory notice 1, which sets out our expectations for access and participation plans, has been revised and will be published for consultation from 4 October 2022. We will also publish a draft Equality of Opportunity Risk Register (EORR), which will set out key risks for higher education students and prospective higher education students at a sector-wide level. We expect to publish final decisions following consultation in February 2023. The board will have the opportunity to engage with our current view of the risks to equality of opportunity during this meeting.
35. In February 2022 we announced plans to ask all providers to submit variations to their current access and participation plans (APP), to take effect from 2023-24, to respond to our new priorities. Providers were able to submit variation requests between 1 May and 31 July. Our view is that the variations process has been extremely successful, both in terms of the number of providers submitting a variation (99%+ of providers with a current APP) and the quality of the submissions made.
36. We have significantly reduced the regulatory burden associated with monitoring current APPs and envisage maintaining this approach into the next cycle. Instead of asking for a detailed monitoring return from each provider, including a narrative about its progress, we have compared its identified targets against progress. Outcomes are set out below in Table 1.

Table 1: outcomes from APP monitoring in 2020-21

Outcome	Number of providers	Notes
No data to carry out an assessment	21	Providers where student numbers are too small to be returned in the APP data set – we judged these to be low risk in this cycle
No further action	150	
General letter	49	Providers notified of missed targets and asked to consider these areas carefully
Bespoke letter	20	Providers with larger gaps between targets and outcomes in specific areas – 15 of these providers had not made progress in relation to a BAME attainment target
Regulatory escalation	4	We sought further information from four providers about areas of concern, discussions are ongoing with two Two providers had addressed our concerns in their application for a variation of the current APP
Total number of providers with an APP in force during 2020-21	244	

International students

37. We have commissioned an external evaluation of work to improve the integration and experience of international students. This seeks to identify innovation and best practice within universities and colleges, as well as identify gaps for better provision of support in England.

Cost of living for students

38. We are working to better understand the impact of the rise in the cost of living on students. There is little reliable evidence to indicate the likely severity of the impact on students, and we are working on the basis it will exacerbate already existing challenges relating to equality of opportunity. We need to be clear about what the OfS can, and cannot, do in this area, for example, we are not able to change the terms of the student support system. We will, however, want to ensure that there are no unnecessary barriers to students accessing hardship funding where the OfS is the source of that funding. We are also working with DfE on further modelling, and exploring using our convening powers with providers and holding student roundtables.

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.

Funding

39. Exempt from publication.
40. Exempt from publication.
41. Exempt from publication.
42. On 16 May we invited bids as part of the capital funding competition and expect to announce outcomes in relation to the allocation of £400 million in September 2022.
43. We published details of recurrent funding allocations for the 2022-23 academic year on 15 July. For the 2022-23 academic year, the overall non-capital grant we are distributing is £1,373 million. This consists of £1,347 million in recurrent grant for providers and £26 million for national facilities and regulatory initiatives. Non-capital grants have increased by £72 million (5.5 per cent) compared with 2021-22.

Size and shape of the sector

44. We expect to shortly publish revised guidance for providers seeking registration. This will clarify submission requirements and the approach we will take to poor quality applications. This will allow us to focus on high quality applications, making the registration process more efficient.
45. There are currently 410 registered providers and we continue to make registration decisions. Since the last board meeting seven providers have sought to deregister on a voluntary basis.
46. On 20 July we used our HERA powers to approve the use of university title for the first time. NCH at Northeastern Limited (also known as the New College of the Humanities) applied for university title in February 2021, and this was approved following consultation on its proposed new name. The provider has now become Northeastern University – London. The news was covered in a Times news feature.
47. We granted New Degree Awarding Powers to Multiverse Group Limited, with effect from 1 September 2022. Multiverse is the first provider that offers only apprenticeships to receive these new powers, which are authorised for a probationary period expiring on 1 December 2025. The authorisation was reported in the Times and Guardian; there is a summary of the coverage on our website. More generally, we have now made 6 DAPs authorisations in 2022 (with 26 DAPs authorisations made since the OfS became operational).
48. We publish registrations, deregistrations, and authorisations for DAPs and university title in our monthly bulletin.

Information to support student choice

49. We consulted on changes to the National Student survey between 28 July 2022 and 1 September 2022, including in relation to additional questions relating to freedom of expression

and mental health. We expect to make decisions following consultation that would be implemented in the 2023 survey.

Our strategic goal is:

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

Evaluation of the Statement of Expectations

50. We are expecting outcomes from an independent evaluation of our Statement of Expectations (SoE). The SoE sets out how providers should prevent and respond to incidents of harassment and sexual misconduct affecting students. The evaluation has included a qualitative survey of providers, case studies, engagement with students and their representatives and victim-survivor groups, hate crime reporting centres and other higher education and voluntary sector organisations. The evaluation has considered the availability and reliability of available data on prevalence. Early findings from the evaluation indicate that progress towards implementing the SoE is uneven across the sector, with students still experiencing difficulties both in terms of the prevalence of harassment and sexual misconduct and a poor response from providers when they report it. We expect to publish the evaluation and reach a view about any future regulatory steps towards the end of October.
51. I have been asked to give evidence to an inquiry being undertaken by the House of Commons Women and Equalities Select Committee into the attitudes towards women and girls in educational settings. We expect this evidence session to focus on what the OfS has done and can do through its regulation, the outcomes of the evaluation of the SoE, and what our plans are for future regulation. This session will take place on 12 October.

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.

Funded programmes

52. We announced on 12 July action to improve joint working between providers and the NHS to support student mental health. This includes previously announced funding of £15 million for providers to fund student mental health support. In addition, we have published resources to support partnership working. We also plan to commission a learning and evaluation programme based in the seven NHS regions later this year.
53. We announced in August that we have extended our funding commitment to the Student Space programme for a further three years. Student Minds will receive £250,000 each year from the OfS to target mental health support for students in England. A further £12,500 will be committed by HEFCW in relation to students in Wales.

Enabling regulation

Our strategic goal is:

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

Financial sustainability

54. Almost all providers have now submitted their annual financial return and we are assessing these on the basis of our risk-based approach. **Exempt from publication.**
55. We have been developing our approach for handling potential and confirmed market exit cases based on the lessons from the ALRA case and as discussed with the board at its July meeting. **Exempt from publication.**
56. **Exempt from publication.**
57. We are also taking action following the Public Accounts Committee's report into financial sustainability of higher education. As well as developing our understanding of system-level financial risks (see separate paper on the board's agenda), we are planning to hold an annual series of roundtable discussions with finance directors from different types of providers to understand their perspectives on financial risk and, separately, we are preparing case studies for publication that set out the approach the OfS has taken to regulating cases of financial risk.

Approach to potential fraud

58. We continue to work closely with the SLC and DfE in relation to tackling allegations of fraud, particularly where this relates to student loan or other public funding. **Exempt from publication.**
59. **Exempt from publication.**

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.

Consumer law enforcement

60. Exempt from publication.

61. Exempt from publication.

62. 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.

63. As we develop proposals for our reforms of access and participation plans, we are considering how to minimise regulatory burden for providers. As set out above, we have significantly reduced the burden for providers associated with monitoring current APPs and envisage maintaining this approach into the next cycle.
64. We intend to consult on introducing differential expectations for providers' access and participation activity depending on the extent to which we consider an individual provider to be exposed to risks to equality of opportunity. This is likely to involve considerations of a provider's size.
65. We continue to challenge providers to review their own internal arrangements to avoid creating unnecessary burden, for example, we do not expect every regulatory matter to be dealt with directly by a provider's governing body and that, provided that clear delegations are in place, a provider can organise decision-making as it sees fit. We have updated some of our communications, for example the notices for our routine information requests to make this clear and expect to do so again when we consult on our APP reforms.

Efficient and effective OfS

KPMs

66. We have published revised key performance measures for the OfS. Our initial set of KPMs include measures on degree awards, students' views on aspects of quality, degree attainment by ethnicity, students' perceptions of value for money, and efficient regulation. A second tranche of KPMs will be published in October, with two final KPMs following later in the year. We will also publish operational measures in the coming weeks, to report on our core regulatory activity.
67. The revised KPMs show the impact of our regulation and are aligned with our corporate strategy. They include an approach to considering the value for money of higher education,

thereby addressing points about the previous KPMs made by the NAO and Public Accounts Committee.

Student panel

68. We recently completed recruitment for new members of the student panel, appointing eight new members: Thibau Grumett, Anita Hashmi, Molly Edwards, Oscar Minto, Misha Patel, Michael Steele, Nkechi Adeboye and Thomas Freeston. The new panellists have now taken up their posts and join five continuing members.

[Exempt from publication]

69. Exempt from publication.

Recruitment and retention

70. Exempt from publication.

Designated bodies

71. The QAA announced on 20 July 2022 that it would no longer consent to be the designated quality body (DQB) in England after the current DQB year ends on 31 March 2023. Our plans for securing credible assessment of providers in future are set out in a separate paper on the board's agenda.

72. I made a recommendation to the Secretary of State on 6 September that, should Jisc and HESA merge, Jisc be designated as the data body under the provisions of schedule 6 of HERA. In the meantime, HESA continues to deliver the Data Futures programme and we have commissioned KPMG to conduct an independent assurance health check of the programme, which we expect to conclude in October.

Risk report

73. The Risk and Audit Committee (RAC) met earlier this month and a report from that meeting is a separate item on the board's agenda. The regular risk report is attached at Annex B of this paper, for the board's information. However, given the volatile external environment and the speed with which things are moving I am providing an update in this report.

74. Exempt from publication.

75. Exempt from publication.