



Minutes of the OfS Board meeting, 26 March 2018

Location: Finlaison House, London

Timings: 14.00-17.00

- Present members:
- Sir Michael Barber (chair)
 - Martin Coleman (deputy chair)
 - Ruth Carlson
 - Nicola Dandridge (chief executive)
 - Gurpreet Dehal
 - Elisabeth Fagan
 - Katja Hall
 - Kate Lander
 - Simon Levine
 - Carl Lygo
 - Chris Millward (director for fair access and participation)
 - David Palfreyman
 - Monisha Shah
- Observer:
- Philippa Lloyd, Department for Education
- Apologies:
- Steve West
- Officers:
- Edward Davison, head of office: OfS chair and chief executive
 - Josh Fleming, chief of staff to Sir Michael Barber
 - Yvonne Hawkins, OfS director of teaching excellence and student experience
 - Susan Lapworth, OfS director for competition and the register
 - Paula McLeod, HEFCE governance adviser
 - Richard Puttock, head of data, foresight and analysis
 - Nolan Smith, OfS director of resources, finance and transformation
- Attending:
- Lucy Parker, HEFCE regional consultant (paper 6.1)
 - Amanda Wilcox, HEFCE regional consultant (paper 6.1)

Item 1 – Chair’s welcome

1. The chair welcomed Richard Puttock, who was attending in his new role at OfS as head of data, foresight and analysis. He thanked the chief executive and the directors for the huge amount of work they and their staff have undertaken in getting the organisation ready, and he asked that his thanks be passed on to the staff on behalf of the board.
2. In particular, he drew attention to the following achievements:
 - i. The OfS launch event had been very successful and well attended, with a real focus on students.
 - ii. A conference had been held for those staff joining the OfS. Again, students had been involved in this and their personal stories were very well received.
 - iii. The regulatory framework had been published and received positive feedback.
3. Interest in the OfS’s work continues, both critical and positive. This has included a number of media interviews undertaken by the chair and chief executive as well as appearances at Select Committees.

Item 2 – Framework for risk assessment during the registration process

4. The director for competition and the register introduced the paper setting out the decisions that need to be taken about each provider during the registration process, including whether they satisfy the conditions and, if so, the extent of the risk of a breach of the ongoing conditions and any actions that could be taken or mitigations put in place to avoid this. She noted that there will be a particularly important role for the provider risk committee in considering some of the more difficult decisions.
5. The board raised a number of points in discussion:
 - i. The board agreed that the OfS needed to be willing to take sensible risks in registration decisions if it wanted to encourage innovation and diversity but it should nevertheless be prepared to decline to register providers that were not able to satisfy the initial conditions of registration.
 - ii. A balance needed to be reached over the desire to be transparent about regulatory action and the reasons for this against the need to protect the students and the legitimate commercial interests of providers.
 - iii. Whilst acknowledging that the board would remain accountable for the registration process and would expect to be updated regularly, the Provider risk committee could provide a level of expertise and consistency in making judgements. Any particular issues of concern would be brought to the board.

- iv. There was a role for the Risk and audit committee in considering the process by which registration decisions were being made and providing assurance on this to the board. It was agreed an internal audit of the process should be carried out in the next 12 months.
6. Having considered its general duties, the board:
- i. Agreed the overarching framework set out in the paper for registration decisions and risk assessment during the registration process.
 - ii. Delegated responsibility to the Provider risk committee to decide on the further development and implementation of the approach to registration decisions and risk assessment.
 - iii. Agreed the scheme of delegation for registration decisions.

Regulation of providers during the transition period

7. The director for competition and the register introduced the paper seeking the board's approval to the OfS's approach to the regulation of current and new providers in the transition period from 1 April 2018 to 31 July 2019. Individual regulatory notices had been produced to provide clarification for each of three groups of providers:
- i. Those that are currently HEFCE-funded
 - ii. Those designated for student support by the Secretary of State
 - iii. New providers
8. Having considered its general duties, the board:
- i. Approved the following regulatory notices:
 - i. Regulatory notice 2: Regulation up to 31 July 2019 of providers that were previously funded by HEFCE, subject to clarifying the section on additional financial commitments.
 - ii. Regulatory notice 3: Regulation up to 31 July 2019 of providers currently designated for student support by the Secretary of State.
 - iii. Regulatory notice 4: Regulation of newly registered providers up to 31 July 2019.
 - ii. Delegated authority to the chief executive to finalise these documents before their publication.
 - iii. Delegated authority to the chief executive to approve:
 - i. The terms and conditions of OfS funding that will apply up to 31 July 2019.
 - ii. The Agreement on Institutional Designation that will apply up to 31 July 2019.

OfS approach to corporate governance from 1 April 2018

9. The director of resources, finance and transformation introduced the paper setting out the approach to corporate governance required for the legal and effective operation of the OfS board from 1 April 2018. This built on the paper approved by the shadow board at its meeting on 29 November 2017 and provided an update to the scheme of delegation. A further revision may be required during the year to incorporate decisions about ongoing registration.
10. The paper also set out information regarding the OfS's committee structure, including terms of reference for the provider risk committee and the quality assessment committee. Board members were asked to contact the director to express an interest in the committees they might wish to join. A robust process would be initiated shortly to recruit independent members to the committees. It was important that the process demonstrated a commitment to diversity and to capturing the student voice.
11. The board:
 - i. Approved the updated scheme of delegation.
 - ii. Approved the appointment of the chairs to the Risk and audit, Provider risk, Remuneration and nomination and Quality assessment committees.
 - iii. Approved the terms of reference of the board committees.

Funding overview and budgets for April 2018 to July 2019

12. The director of resources, finance and transformation introduced the paper setting out the financial implications of the Government's strategic guidance letter to the OfS of 20 February 2018, and the existing HEFCE commitments which needed to be honoured.
13. The following points were raised in discussion:
 - i. There were limited opportunities to amend the current approach to funding in any fundamental way at this time. A paper setting out the OfS approach to funding will come back to the board in November. This will be aligned to the review of access and participation plans.
 - ii. Institutions have been made aware that there is less money to distribute and should be making plans to manage any impact accordingly. Although the total amount will be similar, institutions have been advised that capital will be split and distributed in a different way.
 - iii. OfS has a fixed pot of money for health reforms. This does not include funding for an expansion in placements.
 - iv. Confirmation of the OfS administration budget is still awaited. The 2019-20 budget will need to take the OfS registration fee into consideration.

14. Having considered its general duties, the board:
- i. Agreed there should be no changes as a consequence of the DfE grant settlement to the recurrent funding for teaching for academic year 2017-18 previously notified to providers by HEFCE.
 - ii. Agreed the recurrent budgets for academic year 2018-19 and capital budgets for financial year 2018-19 and the approach to their distribution as set out in the paper.

Office for Students: Our approach to student engagement

15. The director of teaching excellence and student experience gave a short presentation on the planned work to produce an OfS student engagement strategy. The presentation was followed by an exploratory discussion to obtain the views of the board on the purpose and priorities which should drive OfS's student engagement strategy in the next 18 months and beyond.
16. The board was asked to specifically consider 2 questions:
- i. Why should the OfS engage with students?
 - ii. What should the OfS's role be to support providers to engage with their students?
17. In relation to the first question, the main points made were as follows:
- i. Engagement with students gives the OfS credibility and ensure students have a voice.
 - ii. The student narrative is powerful and inspirational.
 - iii. Students can be used as ambassadors
 - iv. Capturing the diversity of the student body will be a challenge, including those from under-represented groups, mature and part-time learners.
 - v. Students will be involved in some committees more than others.
 - vi. There was a risk that providers would be seen as the "other".
 - vii. Setting the right expectations would be important.
18. In relation to the second question, the main points made were as follows:
- i. The provider defines the environment in which the student studies.
 - ii. Each provider has a different culture and engagement will vary between providers. We must be respectful of institutional autonomy and not prescribe how student engagement is conducted.
 - iii. There is provision within the regulatory framework to ensure that at a baseline level the student voice is heard.

- iv. Differing views were expressed about whether the OfS should incentivise student engagement beyond this in its regulatory role. It was noted that to do so could support the four primary regulatory objectives. It was agreed further thought should be given to this and the advice of the student panel sought before any decision was made.

19. It was agreed that this issue would be discussed with the student panel in April and their views used to inform a proposed strategy paper to come to the board at its May meeting.

Equality and Diversity objectives for the Office for Students

20. The director for fair access and participation introduced the paper setting out the OfS's responsibilities under equalities legislation and proposing some draft equality objectives and priorities for the OfS.

21. The following points were made in discussion:

- i. It was important to understand the reasons behind the decline in mature students and how the OfS could be part of the solution. An information note would be produced and circulated to the board.
- ii. It would be important for the next iteration of the paper to provide greater clarity on how the objectives would be delivered by providers meeting their own legal requirements under the Equality Act, by OfS regulation of individual providers, and by OfS sector-wide activities, and how this collectively would provide assurance that OfS would meet its own legal requirements in this area.
- iii. It was identified that student involvement in extra-curricular activities was an important dimension of the student experience and to student outcomes. Consideration should, therefore be given to the ways in which this could contribute to the equality objectives.
- iv. It would be important to identify clear priorities and success measures, given the potentially wide-ranging scope of this activity.

22. The board:

- i. Noted its responsibilities under equalities legislation.
- ii. Discussed the draft equality objectives and priorities for the OfS.
- iii. Noted the timeline and next steps. This will include further engagement with OfS staff and external bodies. A revised set of objectives will be brought back to the board alongside an action plan for approval.

Industrial action

23. The chief executive presented a paper which considered the implications for the OfS of the recent and prospective industrial action relating to proposed reforms of

the USS pension scheme and the various options for the board in terms of how the OfS might respond in order to protect students' interests.

24. The following points were made in discussion:
- i. Whilst a proposal had been put forward by the employers it was not clear at this point whether it would be accepted. There might be further industrial action in the future, and the OfS and the board needed to be ready to engage with the impact on students.
 - ii. It was not for OfS to take sides in the industrial action but there was a need to ensure students were protected and that their rights under the Consumer Rights Act were properly recognised.
 - iii. OfS should consider whether it should publish guidance for students about their rights and how to exercise them.
 - iv. The conditions of registration require providers to protect quality and standards. If these are compromised then OfS would take action. Ensuring providers have regard to advice about how to comply with consumer protection law was also reflected in the conditions of registration.
25. The board agreed that a communication for providers would be prepared setting out the OfS's expectations in this area. Without compromising institutional autonomy, there should be an additional communication for students advising them to approach their provider in the first instance about any issues caused by the strike action. It should also point out their consumer rights and their ability to approach the Office of the Independent Adjudicator if they feel their request has not been satisfactorily addressed. Responsibility for this note was delegated by the board to the chair, deputy chair, chief executive and an additional member of the board.

The OfS Strategy, Key Performance Indicators and Business Plan 2018-19

26. The chief executive presented a paper outlining work to date on the OfS strategy, KPIs and business plan for 2018-19. She advised more work was being done and a revised version of the paper would be brought to the board in May. She advised she would welcome comments from the board in advance of this.
27. The board:
- i. Considered the draft KPIs.
 - ii. Noted the content of the draft business plan for 2018-19.
 - iii. Noted the work completed so far and the next steps.

Office for Students Framework document

28. The board noted the draft framework document and that a number of minor details were being finalised with the DfE.

Chief executive's report

29. The chief executive presented her paper which provided an update on work undertaken and issues that have arisen since the date of the last board meeting on 29 January 2018. She highlighted the following issues:
- i. A huge amount of work has been done to ensure Day 1 readiness for the OfS. Consideration is being given to communications for Day 1.
 - ii. EY have completed an internal audit of the registration process. The feedback on this was positive.
 - iii. Board members may be approached and asked to comment publicly on the OfS and its work. Board members are asked to contact the OfS (ofscomms@officeforstudents.org.uk) or the chief executive if they do choose to speak, so that OfS is aware and can ensure a consistent approach to external messaging.
30. In noting the terms of reference for the Student Panel, a member raised a question regarding the payment of panel members. [For the record: panellists are paid £1,200 for c.6 days' work per year. The chair of the panel is paid an additional £150 per meeting chaired, which would add an additional £750 over the course of the year].
31. The board noted the chief executive's report.

Any other business

32. The board put on record its thanks to HEFCE and OFFA staff for the work they have done throughout the transition period and the spirit in which this has been undertaken. They also thanked the HEFCE directors, the chief executive, the chief executive's head of office and the chair's chief of staff for their contributions.