



## Chief Executive's Report

### Issue

1. To update on work undertaken and issues that have arisen since the date of the last board meeting on 2 July 2020, to the extent that they are not covered in other board papers.

### Recommendations

2. The board is invited to:
  - Advise whether they wish to continue to be notified of registration refusals/publication of non-controversial decisions (See paragraph 26)
  - Note the update on media activity at annex B
  - Note the report on the use of delegated authority between 20 June and 7 September 2020 at annex C
  - Note the updates contained within this report

### Further information

3. Available from Nicola Dandridge.

## Summary of main activity

4. As discussed with the board at the 2 July 2020 meeting, we announced measures to reduce bureaucracy on 10 September 2020, alongside parallel announcements from the Department for Education. These measures are covered in more detail in paper 7.1, with a further paper on the proposed review of the National Student Survey in paper 8.1. We received a statutory strategic guidance letter from the Universities Minister on 14 September 2020 which has been published on our OfS [website](#) and is attached to this paper at annex A. The guidance largely mirrors the announcements and policy statement published on 10 September 2020, but it is this statutory guidance issued under section 2(3) of the Higher Education and Research Act (2017) to which the board must have regard in its decision making.
5. We have now integrated the workstreams previously set up to respond to coronavirus (COVID-19) into our revised business plan and normal operating model.
6. Following the changes to the way A-levels and other Level 3 qualifications were to be awarded this summer we have been working closely with the DfE and other parts of government to respond to the issues that emerged. I have been regularly attending a ministerial taskforce established by the Higher Education Minister, Michelle Donelan, comprising membership from UCAS, SLC, and sector representative and mission groups. The taskforce has worked to address the need to increase the numbers of students that can be placed, and as part of this has explored how teaching and capital funding can be deployed to increase physical and IT capacity, as now set out in the statutory strategic guidance letter. The taskforce has also focused on how students can be supported through the admissions cycle and, looking ahead, to provide academic support for those students choosing to defer their studies for a year.
7. Within the OfS, we have analysed the impact of shifts in the distribution of students across the sector as a result of this summer's admissions, and will be seeking to understand the financial position of providers that have seen a drop in recruitment against their forecasts. More information on our analysis of admissions data is set out in paragraph 9 and our ongoing assessment of financial viability and sustainability in paragraphs 27-28. We will also be continuing to monitor the quality of students' experience over the course of the next months, in line with our expectations signalled to providers in April and May 2020, as described in paragraphs 15ff.
8. We have been working rapidly to launch a new principles-based consultation on our approach to regulating quality and standards that will propose raising the bar on quality and standards at provider level, as well as taking account of quality at subject level. Further information on this can be seen in paper 6.1.

## Strategic objective – participation

9. The changes to the grading of A-levels and BTECs has created an uncertain and challenging admissions cycle with significant activity continuing three weeks after A-level results were initially released. The number of UK domiciled students accepted to English providers as at 4 September 2020 was up on the same time last year by 11,500 to

364,000. The majority of this year's growth has been in the most selective providers. The number of English domiciled students from POLAR quintile one accepted to UK providers was up 8% representing growth of 1,800. This compares to growth of 4,400, or 5%, in quintile 5. The gap in participation between the POLAR groups has therefore widened as a consequence of this admissions cycle, even though the number of students from the most disadvantaged backgrounds has increased. There has also been significant growth in Nursing provision of 4,600 (18%), which has contributed to the growth in mature and female applicants accepted. There has been a small increase in the number of students recorded by UCAS as formally deferring to 2021-22 but this may be masking decisions being taken outside the UCAS system or students who may seek to defer closer to the start of term.

10. Numbers of accepted applicants from outside the UK are stable, reflecting a small decrease in accepted applicants from the EU balanced by a small increase in those from outside the EU. While these figures are encouraging it is important to note that significant non-UK undergraduate recruitment does not occur through UCAS.
11. We expect to be able to provide an oral update at the board meeting analysing the distribution of students across the sector both in terms of where there have been expansions and reductions and by students' characteristics.
12. We have decided to delay the review of the admissions system that we launched on 27 February 2020 until no earlier than autumn of 2021. This is because the significant impacts of the pandemic on the 2020/21 admissions cycle are likely to continue into the 2021/22 admissions year. We need to be able to consider fully the impacts of the pandemic in order to take a long-term view of the admissions system, which is what the review set out to do. We are also mindful that, in a year where students and providers are likely to face ongoing challenges, we should seek to avoid placing additional burdens on them. Our time-limited condition Z3 to maintain integrity and stability of the sector remains in place until 30 September 2021, unless we choose to consult on removing the condition earlier. We will also continue to engage with the government and the sector on issues relating to admissions, albeit without running our review in parallel to this work.
13. Sir Michael Barber was interviewed for Newsweek in a piece published in 12 August 2020 about students beginning university courses this autumn. He pointed out the importance of providers making sure that providers do all they can to support students from disadvantaged backgrounds at this time. We made this important point in a press release to coincide with A-level results on 13 August 2020, and Chris Millward was interviewed in the Financial Times about the importance of social mobility. I was interviewed by the BBC for their 6 and 10 o'clock news, the Today Programme on Radio 4 and Times Radio's breakfast show on various issues around A-level results. Our communications around A-level results also highlighted the need for all applicants to receive good, independent advice and guidance during an extraordinary year for admissions.
14. Elsewhere, updated analysis from the OfS on unconditional offers released on 23 July 2020 showed that unconditional offers risk pushing students into decisions that are not in

their best interests, and was covered by a variety of media outlets including in The Daily Telegraph, Mail Online, TES, and University Business.

## Strategic objective – experience

15. Alongside the insights from this year's admissions cycle, we have been working with providers and students to understand the broader impact of the pandemic on students from under-represented groups and on the activities and objectives providers have committed to deliver through their access and participation plans. This has included three round-tables with providers, students and third sector organisations to gather insights on the impact at different stages of the student lifecycle, together with online polling conducted by Natives using the Student Hut panel, within which there was a particular focus on groups that have been identified as vulnerable during this period.
16. All three roundtables agreed that students from the groups targeted within access and participation plans had been most affected by the pandemic and that it had compounded educational disadvantage. This was due to the pandemic hitting the poorest communities and most vulnerable communities hardest, and thereby limiting the ability of students from these communities to engage with learning, together with specific issues such as access to IT equipment, connectivity, and space in which to work.
17. Providers have been able to maintain relationships with students they are working with in schools and colleges, but they are concerned about fostering relationships with new cohorts in the autumn, given the pressures this term. In addition to the challenge of supporting transition for students who are entering higher education following a period without learning, providers are concerned about the extent to which current students may no longer feel part of the higher education community and be less likely to re-engage this term.
18. Providers have been seeking to address these issues by maintaining support services, providing equipment and developing online platforms for engagement with and between students, including by working with third sector partners. They have also been increasing their financial support, drawing on the flexibility enabled by our regulatory requirements since March. The pivot to online delivery has enabled some outreach, services and learning to become more accessible, meeting needs that some students such as those with disabilities have identified for some time.
19. The main findings from the student polling were that:
  - **18 per cent** of students said that their ability to participate in their course was impacted by **a lack of access to a computer/laptop/tablet**. These figures were higher among black, Asian and ethnic minority than white students, and among disabled than non-disabled students.
  - **52 per cent** of students said their ability to participate was impacted by **a slow or unreliable internet connection**.

- **48 per cent** said that their ability to participate in their course had been impacted by having **too little money to live on**, with international and disabled students most affected.
  - **71 per cent** of students said that their ability to engage with their course had been impacted by **a lack of quiet study space**, which was by far the factor most likely to contribute to a student's inability to participate in their education.
  - **Disabled students** reported being **disproportionately affected by the coronavirus lockdown**. In 10 of the 16 questions, disabled students reported being significantly more dissatisfied or affected than non-disabled students. While ethnicity, nationality, and gender did impact the results of some questions, there was no statistically significant differences in responses based on IMD or POLAR ranking.
20. The results from this polling are being picked up through Michael's Review of Digital Teaching and Learning, which was launched on 3 September 2020. The review has set out a practical and specific definition of digital poverty, that will be further explored and tested through the call for evidence, which will run until 14 October 2020. Michael launched the review with a piece in The Times Red Box on the importance of tackling digital poverty. The story was covered by Radio 1 Newsbeat, Times Higher Education and Wonkhe, and Michael was also interviewed by Times Radio and Channel 5.
21. As indicated in our letter to providers in July 2020, we are using the insights from our polling to inform our approach to re-setting our regulatory requirements for access and participation. We plan to issue guidance to providers in November, which will set out how they should report in spring 2021 on the activity and financial support they delivered to students through their access and participation plans during 2019-20, together with any impact the pandemic has had on the plans we have agreed with them for up to five years from 2020-21 onwards.
22. We will also use this evidence to determine whether providers made reasonable judgements in relation to changes they may have made to their plans during this period, as set out in our regulatory guidance in March 2020, and to agree any changes with individual providers that may be necessary to their forward plans. This may be because planned activity could not be delivered, the grading system this year has led to a different intake profile than anticipated, or there are new imperatives arising from the pandemic, such as more students becoming eligible for financial support, the need to secure digital resources for some students, or to address increased demand for re-training from mature students.
23. Over the next few months, we will be looking at the quality of provision to students, reflecting the particular concerns expressed through the findings of the student polling referred to in paragraph 19 above. At the moment, many providers have indicated to students that they will receive a blend of face to face teaching and on-line lectures. This may however need to change in the fact of local lockdowns or other changes to government and Public Health England policy. In terms of our regulatory role, for the time being we will continue with the approach set out in our two guidance notes from April and May 2020. In these notes we advised that we would only expect to take regulatory action

where we consider that providers have not made reasonable efforts to protect the interests of students or where standards have been compromised. Likewise in relation to consumer protection, we say that we would only be likely to take regulatory action where there has been significant disregard for the Competition and Markets Authority consumer protection guidance or where reasonable efforts have not been made to protect the interests of students.

24. In line with our guidance published in April and May 2020, we have repeatedly emphasised the need for providers to be clear with students as to what to expect this autumn, so that students have a realistic idea about what will be on offer this autumn.
25. We continue to assess some registration applications, though sixty applications are currently paused due to the pandemic. Seven providers applied to change from Approved to Approved (fee cap) categories, and nine applied to change fee limit within the Approved (fee cap) category. Decisions were made for these prior to the SLC deadline of 31 July 2020. Seven Degree Awarding Powers (DAPs) applications are being progressed, with three paused – including new applications and applications to change or extend DAPs orders.
26. The board are invited to advise whether they wish to continue to be notified of registration refusals and the publication of non-controversial decisions on an ongoing basis.
27. Providers at increased risk of market exit continue to be a major focus of our regulatory work. We are continuing to update our views on providers in the light of emerging information on recruitment as well as ongoing engagement with individual providers where we have identified concerns.
28. We will be receiving interim financial returns from providers on 30 October 2020, which will provide information on their 2020 year end positions and their forecasts for 2021. This information will be used to update our financial understanding of providers, including both refining our understanding of high-risk providers and potentially identifying providers who had not reported issues to us or been identified through the modelling but which are now under financial stress.

## **Strategic objective – value for money**

29. Our proposals on reducing regulatory burden, to align with government's work in this area, are described in papers 7.1 and 8.1.
30. We are working with officials in the Department for Education and HM Treasury to prepare for the autumn Spending Review. We are now starting to receive various commissions and will keep the board updated, as necessary.

## **Strategic objective – efficient and effective**

31. The student panel recruitment for new panelists to join the six continuing student panelists in academic year 2020-21 was announced on 11 August 2020. Our news item introducing the new panelists can be found [here](#) and the annex in paper 5.1 summarises the

recruitment process. The newly formed panel met for a training day on 3 September 2020 and will hold its first formal meeting of the academic year in October.

32. The Secretary of State has re-appointed David Palfreyman and Simon Levine to the OfS board. Their new appointments will run from 1 January 2021 to 31 December 2023. These re-appointments will likely be made public on the OfS website and the Cabinet Office's public appointments website in the period between the despatch of board papers and the board meeting on 22 September 2020.
33. Since the previous board meeting, a further five key performance measures (KPMs) have been specified (subject to additional internal testing). We have also added further information explaining our Access and Participation targets for KPMs 2,3,4, and 5 to our external website.
34. The OfS continues to manage a phased return to office working in a way that balances health and safety, the individual needs and concerns of staff, guidelines on social distancing, productivity and business continuity, and a need to return to some form of office working.
35. We carried out a 'pulse survey' in July to help us understand how staff were feeling about working from home, returning to the office, and any concerns they had about the future. The survey showed, for example:
  - 76 per cent of staff were either somewhat, very or extremely concerned about the impact of coronavirus on them personally. 23 per cent were not too concerned.
  - The majority (96 per cent) liked the flexibility working from home provides. A further 85 per cent liked the new routine it provided, and 85 per cent were glad they didn't have to commute.
  - 65 per cent said they were 'somewhat uncomfortable' or 'very uncomfortable' about returning to the office 'right now'
36. The results of the survey supported the phased approach to office return we are taking, recognising that a significant minority of staff want to move towards office working to some extent but that a majority have significant concerns. The survey results also provided further evidence that current arrangements remain productive for the majority of staff.
37. We introduced Phase 1 of office return on 20 July which focused on opening the Bristol office to a small number of staff for whom it was critical, for wellbeing reasons, to be able to work in the office in the immediate term.
38. Phase 2 will commence later in September when we open the office to those who choose to return, for reasons of productivity improvement or to improve wellbeing. However, capacity in Bristol will still be very limited due to social distancing requirements. Staff were invited to request return to the office in this phase and we will have a total of around 70 staff in Bristol, mostly working only a few days a week from the office. London is included in Phase 2 but arrangements are reliant on the landlord who need to complete some repair works before we can allow staff to return.

39. Until we are able to progress to Phase 3 (a new normal), return will be limited and we will respect the wishes of staff who do not feel safe to return to office working, or whose personal circumstances do not allow it. Our flexible working policy is currently under review and through this we will consider how we want the future state for office/home working to be.
40. Work is underway on the 2020 OfS annual review, with publication expected by the beginning of December. A near-final draft text will be shared with the board by the end of October. We plan to publish the review solely in digital format this year
41. There were 167,000 unique page views of the OfS website in August, while we continue to grow our following across the OfS and Discover Uni's social media channels. We now have over 14,500 followers on Twitter and have used our accounts over the summer to point students to sources of advice and guidance, including Discover Uni and – for younger students – their local Uni Connect network. We also used social media to introduce our new student panelists, who will make an important contribution to the OfS' work.
42. An update on our communications activity is available at annex B.



## **Annex C – Report on use of delegated decision making**

### **20 June – 7 September 2020**

1. Under the scheme of delegation, the board delegates to the chief executive the ability to make changes to individual funding allocations, virements between budgets and decisions on the recovery of grant, amongst other matters. This annex summarises the main decisions made.
2. On 16 March 2020, the OfS board also agreed a special delegation to provide decision-making and supplementary arrangements for matters relating to coronavirus (COVID-19) and other contingency arrangements. Under this delegation, on 20 March 2020, the Chief Executive delegated authority to the Director of Resources and Finance and the Director for Fair Access and Participation:
  - a. The authority to make changes to individual funding allocations or virements between programme budgets, including changes to AY2019-20 recurrent and capital grants and changes from data audit/reconciliation work.
  - b. The authority to agree the specific allocations to providers or to funded organisations from within programme budgets following any agreed funding principles set by the board, including but not limited to:
    - i. The initial provider level allocations of 2020-21 capital grants.
    - ii. The initial budgets for each line of AY2020-21 recurrent funding.
    - iii. The initial provider level allocations of AY2020-21 recurrent grants.
  - c. The authority to finalise the terms & conditions of funding for AY2020-21.
  - d. The authority to publish any funding announcements.
  - e. The authority to make decisions on the reporting requirements (including timings of these) for any programme funding.
  - f. The authority to pause and stop any planned funding activities (e.g. challenge fund competitions).

On 30 July 2020, the Chief Executive agreed to extend this delegation to the end of August 2020.

### **Recurrent funding allocations for 2019-20 and 2020-21**

3. The Director of Resources and Finance agreed changes to recurrent grant allocations on 11 July 2020 and 12 August 2020. Those agreed in July related to:
  - a. Changes to 2019-20 and 2020-21 funding resulting from amendment of 2017-18 or 2018-19 HESA or ILR data for 12 providers.

- b. The removal of 2020-21 funding for Joseph Chamberlain Sixth Form College. This provider had confirmed that there would be not be any higher education students registered with the provider in 2020-21, and have applied to CASP to be removed from the OfS register.
- c. An increase to 2020-21 funding for King's College London to reflect forecast dental therapy and hygiene FTEs. After receiving their initial funding allocations for 2020-21 in May 2020, the provider wrote to inform us of their plans to start a new BSc in Dental Therapy and Hygiene, due to commence in 2020-21. As this course is mapped to price group A and would attract the highest rate of high-cost subject funding, the Director agreed to adjust their 2020-21 funding to reflect a forecast of the FTEs due to start the course in 2020-21. The provider will be asked to review their submitted forecast student numbers after the academic year has started and the adjustment to funding will be reviewed in light of actual student starts.
4. The changes agreed in August related to five providers who had changed their registration status from Approved to Approved (fee cap) in late July 2020, and as a result had become eligible to receive OfS funding allocations for 2019-20 and 2020-21.
5. Details of the funding changes noted in paragraphs 2 and 3 are set out in **Table 1** below. The overall increases in funding are affordable from funds previously set aside for the years in question.

**Table 1: Formulaic grant adjustments for 2019-20 to 2020-21 arising from data audit or reconciliation**

Provider	Total change to 2019-20 recurrent funding	Total change to 2020-21 recurrent funding
Bournemouth University	-£475	--
Brockenhurst College	--	-£8905
Chichester College Group	-£7,531	--
Coventry University	-£21,420	£46
University of Greenwich	£940	--
Havant and South Downs College	--	-£4,671
Highbury College Portsmouth	-£1,746	--
Kingston University	£20,738	£6,050
London Metropolitan University	-£238	-£250
University of Northampton, The	£26	--
South Thames Colleges Group	£19,213	--
West Herts College	-£9,378	--
Joseph Chamberlain College	--	-£2,215
King's College London	--	£311,625
CWR	£2,570	£84,439

<b>Provider</b>	<b>Total change to 2019-20 recurrent funding</b>	<b>Total change to 2020-21 recurrent funding</b>
ICON College of Technology and Management Ltd	£31,937	£836,926
The London School of Architecture	£702	£23,620
Point Blank Limited	£16,300	£444,591
RTC Education Ltd	£9,895	£274,168
<b>Total</b>	<b>£61,533</b>	<b>£1,965,424</b>

## **Annex D – Board forward look**

### December 2020

CEO update  
Review of Strategic risk and risk appetite  
OfS approach to Funding  
Review of Transparency Condition  
Finance report  
Report from the Provider Risk Committee  
Report from the Horizon Scanning Panel  
Report from the Remuneration and Nominations Committee

### January 2021

CEO update  
Update on board effectiveness  
Finance report  
Consultation on Future TEF  
Review of the NSS  
Report from the Provider Risk Committee  
Report from the Risk and Audit Committee  
Report from the Quality Assessment Committee  
Report from the Horizon Scanning Panel