



**Draft minutes of the OfS Board meeting, 3 July 2019**

**Location: Finlaison House, London**

**Timings: 13.30-17.00**

- Present members:
- Sir Michael Barber (chair)
  - Martin Coleman (deputy chair)
  - Nicola Dandridge (chief executive)
  - Gurpreet Dehal
  - Elizabeth Fagan
  - Katja Hall
  - Kate Lander
  - Simon Levine
  - Martha Longdon
  - Chris Millward (Director for Fair Access and Participation)
  - David Palfreyman
  - Monisha Shah
- Attendees:
- Ian Coates, Department for Education representative
  - Dame Shirley Pearce, Chair, Independent review of TEF (for item 4.1)
- Apologies:
- Verity Hancock
  - Kathryn King
  - Steve West
- Officers:
- Rachel Attwood, Head of HR & Organisational Development
  - Ed Davison
  - Josh Fleming
  - Yvonne Hawkins, Director of Teaching Excellence and Student Experience
  - Paul Huffer, Head of Legal
  - Susan Lapworth, Director of Competition and Registration
  - Paula McLeod, Corporate Governance Senior Adviser (clerk)
  - Richard Puttock, Director of Data, Foresight and Analysis
  - Graeme Rosenberg, Head of TEF (for item 4.1)
  - Conor Ryan, Director of External Relations
  - Nolan Smith, Director of Resources, Finance and Transformation

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### **Chair's welcome**

1. The chair welcomed Ian Coates from the DfE and noted that Verity Hancock, Kathryn King and Steve West had sent their apologies. He also welcomed Rachel Attwood, Head of Human Resources and Organisational Development at OfS, to the meeting.
2. In introducing the meeting he advised the board that there continues to be support for the OfS in the work it is doing and that its final set of powers will come into force in August. Since the last meeting, the Post-18 Review of Education and Funding carried out by Philip Augar had been published and he put on record his thanks to the chief executive, the Director of Resources, Finance and Transformation and other OfS staff for all they had done to provide relevant information and analysis to the DfE team and the reviewers in their work.
3. The chair updated members on his recent meetings and visits:
  - i. He had met with Richard Pennycook, a non-executive director on the DfE board.
  - ii. In a recent meeting, the Permanent Secretary at DfE had expressed his support for the work being carried out by the OfS and how positively the transition to the new organisation had been handled.
  - iii. He had also met with colleagues at No 10 in the run up to the Augar Review, and attended the University of Buckingham Festival of Higher Education.
4. The board noted its general duties as set out on the agenda and the need to have regard to these as it considered papers and made decisions.

### **Approval of May minutes (paper 2.1)**

5. The minutes of the meeting held on 15 May 2019 were approved.

### **Chief executive's report (paper 3.1)**

6. 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 15 May 2019. The following issues were highlighted:
  - i. Exempt from publication.
  - ii. Exempt from publication.
  - iii. The OfS had concluded its investigation into management and government concerns at De Montfort University, resulting in the University publishing an action plan. This will be subject to monitoring by the OfS. A piece of work will be carried out to look at the lessons learned from this and other similar cases and the outcomes will be shared with the sector.

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- iv. The board were being asked to approve some amendments to the scheme of delegation. The chief executive proposed a further amendment to that detailed in the paper at paragraph 55a to delegate authority to the chief executive who could in turn delegate if necessary.
- v. The OfS annual report and accounts had just been published and she thanked the board for their contributions to this.
- vi. A summary of the work being undertaken to look at how the OfS might respond to market exit will come to the board later this year.
- vii. The board were updated on upcoming communications activity.

7. The board:

- i. Approved the revised approach to noting interests on board papers.
- ii. Approved revisions to the board's scheme of delegation including the further amendment set out at the meeting.
- iii. Approved the revised terms of reference for the Provider Risk Committee
- iv. Noted the updates contained in the paper.
- v. Noted the report on delegated decision making.
- vi. Noted the report on strategic risks.
- vii. Received the report.

8. Exempt from publication.

**TEF update (paper 4.1)**

9. The chair welcomed Dame Shirley Pearce, the chair of the independent review of the Teaching Excellence and Students Outcomes Framework (TEF), to the meeting and noted that this review was being carried out independently of the OfS. He confirmed that the review will report to the Secretary of State but it was for the OfS board to make final decisions about how it wanted the TEF to support the OfS's regulatory processes. The board will not be bound by the findings of the review.

10. Dame Shirley gave a presentation to the board on her work to date, advising that the intended outcome was to produce a small number of well-evidenced recommendations. She hoped to complete the review shortly and report to the Secretary of State in the summer.

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12. Following the presentation, the Director of Teaching Excellence and Student Experience, presented a paper updating the board on recent developments of the TEF. The paper also set out how OfS anticipates taking the TEF forward

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following the outcomes of the Independent Review. There would be a further discussion of this at the September meeting and the board noted that decisions about the future of the TEF were a matter for the board itself.

13. The board received the paper.

**The Independent Panel Report to the Review of Post-18 Education and Funding: the Augar review (paper 5.1)**

14. The chief executive introduced the paper providing the board with an overview of the Post-18 Review of Education and Funding carried out by Philip Augar, noting that discussions are also taking place with OfS's counterparts in Scotland, Wales and Northern Ireland as the Review findings, if implemented, would also affect them.

15. In setting out the work that is already underway or planned, she asked the board to consider if there were any further recommendations in the Review that were not contingent on a government response which the OfS should take forward.

16. In addition, the Director of Resources, Finance and Transformation provided the board with details of additional work being carried out in relation to the financial health of the sector.

17. The following points were made in discussion:

- i. There needed to be a consistent message to the sector regarding the financial pressures it will continue to face.
- ii. In addition, more scenario planning should be done to consider the many factors which could impact on the financial health of the sector.
- iii. There would be value in carrying out a piece of joint work, linking in as appropriate with the DfE, to measure the social and cultural value of courses that may not deliver high financial returns.

18. The board:

- i. Agreed the executive should continue with the programme of work set out in the presentation.
- ii. Were supportive of the proposal to look at the social value of higher education and asked the executive to take this forward.
- iii. Received the paper.

**Review of the OfS's approach to funding (paper 6.1)**

19. The Director of Teaching Excellence and Student Experience introduced the paper updating the board on work being undertaken to review the OfS's approach to funding. She advised that:

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- i. Future funding should be seen as an active regulatory tool and should be guided by the OfS's legal duties:
- ii. Regulatory conditions are blind on subject provision so funding could play a role in this area. It could also recognise specific characteristics within the sector.
- iii. Teaching funding could be used to reinforce access ambitions.
- iv. The significance of OfS funding differs between providers.

20. The following points were made in discussion:

- i. Demonstrating the impact of funding could inform decisions on future investment.
- ii. It would be helpful to understanding how OfS funding priorities might affect provider behaviour and galvanise action to deliver our legal duties and regulatory ambitions. This could play into scenario planning and modelling.
- iii. It would be useful to explore how banks and investors view the sector.
- iv. A list of principles to inform funding priorities would be desirable.

21. The chair emphasised that protecting high cost and high value world-class specialist provision should be a funding priority.

22. The board:

- i. Noted the work done to date.
- ii. Welcomed the opportunity to consider this issue further at its planning event in September.

### **Annual equality, diversity and inclusion report 2018-19 (paper 8.1)**

23. The Director for Fair Access and Participation introduced the paper providing the board with an update on its equality, diversity and inclusion (ED&I) statement and action plan. He was also seeking the board's approval of the OfS's Annual Equality and Diversity Report 2018-19. He noted that there is a lot of momentum in this area, given its centrality to OfS duties and strategy, and its importance to OfS staff and the student panel. This is reflected in a great deal of activity, but it will be important in the future to demonstrate the impact of this.

24. The following points were made in discussion:

- i. The report should include a section on governance, identifying the progress that has been made and our approach to appointments.
- ii. Objective 4 should be re-framed to highlight and prioritise student mental health and wellbeing.

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- iii. More clearly defined outcomes, including potentially targets, would be needed for the internal objectives.
- iv. OfS should ensure that its values flow through to the organisations with which it has significant contractual relationships, and a section should be added to the report on this.
- v. Further work should be undertaken with the communications team to make the report more reader friendly.

25. The board:

- i. Subject to the feedback, approved the OfS's Annual Equality and Diversity Report 2018-19.
- ii. Noted the progress made towards the equality objectives.
- iii. Received the report.

### **OfS people report**

26. The Head of Human Resources and Organisational Development at OfS, gave a presentation on people related issues at OfS. She highlighted:

- i. The period of transition to the OfS has resulted in variations in headcount, including a significant number of promotions along with new staff joining the organisation. The resulting impact on learning and development and workforce planning is now being taking forward.
- ii. There was a strong focus on ED&I throughout recent recruitment activity. OfS priorities in these areas are now owned by individual directors and embedded in their objectives.
- iii. As a new organisation, the OfS did not need to publish its gender pay gap information this year. Current data identifies a gap that is similar to predecessor organisations and remains a priority for the organisation.
- iv. Staff involvement and feedback is encouraged, particularly in the work to develop the OfS's values and behaviours. There are also plans to carry out a staff engagement survey this year.
- v. An over-arching piece of work will be carried out seeking to professionalise line management and to develop a high performance culture at OfS.

27. The chair of the Remuneration and Nominations Committee confirmed she was content with the direction of travel across a range of people issues. This was supported by the commitment from the chief executive to prioritise the development and implementation of organisational values and culture. The committee has considered the current gender pay gap and confirmed that robust action is planned. This will not just be a short term fix but be set in the broader context of organisational objectives

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28. The board thanked the Head of Human Resources and Organisational Development for her presentation.

### **The National Student Survey: 2021 and beyond (paper 9.1)**

29. The Director of External Relations introduced the paper setting out proposals for expansion and development of the National Student Survey (NSS). He advised that:

- i. A previous review of the NSS showed that some students were missing from the survey. The plan is to include them in 2020.
- ii. There is a need to re-tender for the NSS from 2021 onwards.
- iii. The NSS is a UK-wide survey which the OfS manages on behalf of the other four nations.
- iv. Giving students the opportunity to respond to an NSS in every year of their studies will provide more granular information for students and enable improvements to be made throughout the course of their studies. The proposal is to pilot this in 2021.

30. The following points were made in discussion:

- i. The NSS is delivered to students online to encourage a better response rate. A monitoring process is also in place to ensure students are not put under undue pressure by their provider to complete the survey.
- ii. Questions relating to health and wellbeing will be considered for inclusion in future surveys.
- iii. Alongside Unistats, the NSS is an important part of the overall information, advice and guidance available to students and prospective students. It is also an important data source for providers. It will continue to form part of the TEF assessment.
- iv. The graduate outcomes survey is the tool to ask about the broader experience of higher education and how this has prepared them for life beyond graduation.

31. The board:

- i. Agreed the NSS should be extended to include previously excluded students.
- ii. Were supportive of the proposal to pilot an all-year NSS.
- iii. Agreed to proceed with the proposals set out in the paper, including tendering for a new contract for the NSS for 2021 and beyond.

### **Communications strategy update (paper 10.1)**

32. The Director of External Relations introduced the paper updating the board on OfS's work with the media as part of its communications strategy.

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33. The following points were raised in discussion:

- i. It would be useful to have access to the agreed “lines to take” available on the board portal.
- ii. A quarterly update could provide the board with an update on communications priorities.
- iii. Further work is being undertaken to track the impact of OfS communications.

34. The board:

- i. Noted the update and the work in hand.
- ii. Agreed the chief executive would give an oral report at each meeting on the significant planned national media activity expected to take place between board meetings, offering board members the opportunity to discuss the likely approach and tone to those stories.
- iii. Welcomed a more regular updating of the ‘lines to take’ on key issues, currently shared on request with some board members, and that those lines would be made available to all board members routinely.
- iv. Received the report.

#### **Report from the Provider Risk Committee (paper 11.1)**

35. Exempt from publication.

36. The board received the report of the Provider Risk Committee

#### **Report from the Quality Assessment Committee (paper 12.1)**

37. The chair of the Quality Assessment Committee updated the board on the outcomes of the meeting held on 22 May 2019. He reported that the committee had:

- i. Agreed the annual report and the KPMs with the designated quality body.
- ii. Received a presentation on degree standards and grade inflation and, as a result of this, was suggesting a set of sector recognised standards be developed to be included in the regulatory framework.

38. The board:

- i. Agreed with the recommendation of the QAC that the OfS should consult on proposed changes to the regulatory framework.
- ii. Noted the annual report of the designated quality body and their finalised key performance measures.
- iii. Received the report of the Quality Assessment Committee.



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**Report from the Risk and Audit Committee (paper 13.1)**

39. The chair of the Risk and Audit Committee introduced the paper reporting on the outcomes of the meeting held on 10 May 2019. She had reported on this orally at the last board meeting.
  
40. The board received the report from the Risk and Audit Committee.

**AOB**

41. The chair gave a brief update to the board on the recent meeting of the Horizon Scanning Panel. A full report would come to the next meeting.

**Closing remarks**

42. In closing the meeting the chair thanked the board for their contributions and asked the executive to pass on his appreciation to OfS staff for their time in producing a good set of papers.
  
43. The board would meet next at its planning event on 25 and 26 September 2019.

The meeting concluded at 16.57.

**Outstanding actions arising from current and previous board meetings:  
Status update**

Exempt from publication.