



Chief executive's report

Issue

1. To provide an update on work undertaken and issues that have arisen since the date of the last board meeting on 3 July 2019 to the extent that they are not covered in other board papers.

Recommendations

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

Further information

3. Available from Nicola Dandridge (nicola.dandridge@officeforstudents.org.uk).

Summary of main activity

4. Since the date of the last board meeting in July, the OfS has continued with its business as usual over the summer.
5. We are continuing to make progress with initial registration: Table 1 below sets out the current position. New providers continue to apply for registration. The Provider Risk Committee is meeting monthly to make registration decisions and is now considering representations submitted by those providers issued with 'minded to refuse registration' letters. We have also made further decisions to refuse registration. In these cases, the provider has an opportunity to submit representations against our provisional decision to publish information about the refusal. At the time of writing, we have published four refusal decisions and are likely to publish two more before the time of the 25 September 2019 board meeting.
6. In July 2019, in anticipation of the start of the new academic year and in order to protect the interest of students, we granted limited designation to those providers awaiting a final registration decision which had continuing students accessing the student support system. This includes providers which had received a 'minded to refuse registration' letter. The limited designation allows existing students on continuing courses to continue to access the student support system from the start of the 2019-20 academic year until a final registration decision is made. If the OfS's final decision is to refuse registration, the provider is then invited to apply for designation for 'teach out', whereby access to the student support system is granted to continuing students until they have completed their course.

Table 1: Registration decisions at 16 September

Number on register	387
Number refused	8
Number minded to refuse	20
Decision made but not yet published on the register	2
Total decisions made	417
Provider awaiting QSR or management and governance review	20
Application under assessment	45
Application incomplete	16
Providers where a decision has not been made	88
Assessment closed (due to merger or provider request)	19

7. The OfS's new monitoring arrangements are now in place. From the date on which a provider is first registered it has an obligation to meet all of the application ongoing conditions of registration. For many providers, the OfS has imposed requirements as part of the registration decision to mitigate areas of increased risk: these will be in the form of specific conditions, enhanced monitoring requirements or a formal communication. Many of the enhanced monitoring requirements involve the provider submitting responses which are then assessed. The accompanying new risk assessment may result in the removal, variation or addition of regulatory requirements. Table 2 sets out the current position for registered providers.

Table 2: mitigations imposed on providers at the point of registration, to 16 September 2019

Providers with specific condition	25
Providers with enhanced monitoring	259
Providers with formal communication	303
Total providers with mitigation	373
Providers with no mitigations applied	13

8. Each registered provider is required to report specified reportable events to the OfS. Each of these reports will be assessed and a new risk assessment carried out for a provider. This may result in additional regulatory action and, in some cases, the issues may be significant.
9. In addition to routine monitoring we have now completed assessment of the annual accountability return submitted by all registered providers, and of the student outcomes data submitted by providers to HESA which informs a new assessment of condition B3. We are currently developing our approach to random sampling, sanctions and investigations and will update the board in due course.
10. Later this month, we will publish a suite of regulatory guidance setting out our expectations of registered providers in relation to their obligations under the regulatory framework. The guidance will also describe in more detail our approach to monitoring and intervention, reportable events and student protection plans. This is a major project and the launch of the provider guidance will be accompanied by a series of regional events throughout October and November aimed at accountable officers and led by members of OfS staff.
11. We are currently dealing with several legal challenges relating to refusals of registration decisions. We are confident in resisting those challenges, though resisting them effectively will inevitably absorb staff time, particularly in the legal team.

12. Michael Barber and I met with the new President of the NUS, Zamzam Ibrahim in July, and we had a constructive discussion about NUS priorities over the next year, including innovation in approaches to teaching practices and climate change. We also met with Jo Johnson in August, immediately prior to his resignation, and have a meeting fixed with the Secretary of State Gavin Williamson shortly after the board meeting. A summary of recent political developments are outlined in Annex A.
13. In response to the risk of a no-deal Brexit, we have planned, so far as possible, the potential impact on the sector and built in responses to our work planning. Annex A includes our assessment of the impact of a no-deal Brexit on the sector. We have also planned for the impact on the operation of the OfS itself, in terms of its impact on our supplies and infrastructure, and are confident that we are as well placed as possible to continue operations. The issue was discussed with the Risk and Audit Committee on 11 September 2019.
14. At the beginning of August, we started work on our new Business Plan 2019/20. The theme is one of consolidation, taking forward and building on the work initiated in 2018/19, our first year of operations. The main areas of activity are largely as described in this report, but various new areas of work will be commenced – including work on reviewing the validation system to ensure that it is fair and transparent in the interests of students and all providers (work to be started this autumn) and work on student contracts, where a paper will be taken to the November board meeting for discussion. Our review of the admissions system will start with a substantial consultation exercise in November, which will include consideration of the use of unconditional offers and conditional unconditional offers, as well the benefits of a post qualification applications system.
15. Discover Uni, the new student information site which we manage on behalf of all four UK nations, was launched in a public beta phase on 12 September. The site was designed with significant user input to be easy to navigate and clutter-free. In its first phase, it includes the key Unistats data, searchable by course and provider across the UK. This includes National Student Survey results, TEF scores and earnings outcomes from HESA and LEO data, with direct links to 37,000 courses. The site is designed to provide helpful information for potential students, teachers and parents. The Director of External Relations will discuss in his IAG update plans for the second phase of the site's development, including direct UCAS application links, greater personalisation and advice for transfer students. We are also inviting user feedback in this phase. The site was launched initially at www.discoveruni.org.uk and it will also launch on www.discoveruni.gov.uk, which will be our main url. Significant social media and school-based promotion is now taking place.
16. A [letter](#) setting out our planned actions and activities for the next year was sent to all heads of registered providers on 5 September 2019.
17. We will also be reviewing the role of governance within the sector in 2019/20. Although generally governance in the sector is good, we are increasingly aware of the close connection between failures in compliance with the regulatory framework, and

governance failures. Over the last year where we have had to intervene because of an increased risk of breach of conditions of registration, there has almost always been an associated failure of governance – whether through lack of oversight or lack of challenge. The board will recall that in April 2019, we wrote to every chair of a governing body with an assessment of the financial health of the sector and sharing our concern about governing bodies endorsing over-optimistic and potentially unrealistic financial forecasts. The regulatory guidance referred to in paragraph 10 above will include our experience of persuasive, and less persuasive, evidence of adequate and effective governance arrangements. We will be discussing and sharing these emerging findings with the sector and with sector bodies. In addition, there is a case for the OfS to take a proactive role in considering how it can incentivise effective governance practice that is fit for purpose in the new regulatory environment, given the pivotal role that effective governance plays in ensuring that autonomous higher education providers are securing good outcomes for students.

Participation

18. As we conclude the registration process we are also completing the final assessments of 2019-20 access and participation plans. The Director for Fair Access and Participation has notified two providers that he has been unable to approve their access and participation plans. This follows a 'minded to refuse' process, through which the Director has identified the reasons for not being able to approve the plan and the providers have been able to re-submit a revised plan, taking into account the reasons given, for further consideration within 28 days. [exempt from publication]
19. We have also completed the assessments of 2020-21 access and participation plans for 43 providers with early application deadlines. Providers were notified of the outcome of these assessments in August. We then published links to approved plans and made changes to the register on 9 September. All except two providers have been notified that the plan will be renewed for five years unless they are notified otherwise. 33 providers will be subject to enhanced monitoring requiring them to take specific actions and 9 have received formal communication identifying issues they need to address in their monitoring reports. As a result of our assessments we have identified that providers in this group have substantially increased the level of their ambition to reduce equality gaps across the student lifecycle and demonstrated how they will improve their practice, for example in relation to self-assessment, the use of evidence to identify interventions and the approach to evaluation.
20. A further 145 access and participation plan submissions are now being assessed, with most assessments being completed by the end of September. A summary report on the assessment process will be discussed with the board at its November meeting.
21. In a wide-ranging piece for [The Telegraph's](#) website on A-Level results day, Michael wrote on the importance of higher education, and the need for providers to do more to ensure fair access. On the same day, I was interviewed by the Today Programme, BBC Radio 5 Live and BBC Radio 1 Newsbeat on unconditional offers – making the point that admissions need to work in students' interests.

22. There was significant coverage of the publication of access and participation plans for high tariff providers. Stories in [The Independent](#), [Daily Mail](#), [Telegraph](#) and Daily Mirror all included quotes from the Director for Fair Access and Participation highlighting the need for providers to make progress on the ambitious plans they have set. Coverage – including this piece in [The Times](#) – is increasingly recognising that the pressure the OfS is able to exert on providers is ensuring that they are increasing their ambition in this crucial area.

Experience

23. Following discussions at previous board meetings, the OfS has written to those providers with the most significant unexplained increases in degree classifications and asked how providers account for the patterns in the data. We are taking the same approach to the data we recently published on unconditional offers. We will assess the information submitted by providers in response to both groups of requests and consider whether further investigation and action is warranted.

24. There are several cases of campus, subject or course closure that we are actively working on, some requiring prompt action relating to near-term closure of provision.

25. We have also been involved in the case of GSM London Limited, a provider not registered with the OfS and regulated by the DfE, that entered administration at the end of July 2019. The OfS are working with GSM, the DfE, and the University of Plymouth (which validates qualifications at GSM London) regarding the student protection arrangements that are being implemented.

26. We continue to be active in our monitoring of the Prevent duty. In June we published an evaluation of the Accountability Data Returns submitted by providers for the first time for 2017-18 as part of our move to a strengthened and risk-based monitoring approach. The main finding in the evaluation report was that there was a high level of sector compliance.

27. We have now completed the first round of Prevent review meetings with 22 outcome letters finalised and sent. These meetings are the primary way of gaining assurance of each provider's implementation of the duty beyond the Accountability and Data Return. Following on from this first round of meetings, 4 providers have been required to take further action to demonstrate full compliance with the duty. We are on target to finish the full cycle of meetings in early October which includes all higher risk providers (4 providers) and a random sample of 26 other providers, representing approximately 10 per cent of all providers that we monitor under Prevent. We will publish further details on the outcomes of the meetings and our thematic reviews in late October. We are also assessing a small number of newly registered providers to ensure their institutional policies meet the requirements of the statutory Prevent guidance, in line with our process for monitoring new entrants to Prevent monitoring.

28. We are about to embark on a full evaluation of the Prevent Monitoring Framework and this will be published in the Autumn. The evaluation will involve extensive engagement with external stakeholders.
29. The Government's independent review of the Prevent Strategy, led by Lord Carlile, will begin shortly. The terms of reference for the review were published on 16 September and are available [here](#). It is expected that recommendations from this review will be reported to Parliament by August 2020.
30. Our second Insight Event, 'Improving Student Lives', in November will focus on two core themes of mental health and hate crime and harassment. This event will bring together experts and stakeholders from within and outside higher education to share effective practice, and discuss the challenges faced by students and providers in developing effective responses to these issues. [exempt from publication] Mental health and sexual harassment continue to dominate media headlines. I was interviewed by Emma Barnett on BBC Radio 5 Live on 9 September 2019, covering topics including student mental health and the need to tackle sexual assault and harassment on campus.
31. We have noted that the University and College Union has opened its ballot of members on potential industrial action relating to pay and the ongoing Universities Superannuation Scheme pension dispute. Ballots run until Wednesday 30 October 2019, with any action not expected until after a meeting of the UCU's Higher Education Committee on Friday 1 November 2019. It is not for the OfS to take sides in the dispute, but we will seek to use our powers to ensure that any industrial action does not adversely impact students' teaching, learning and assessment, within the scope of the regulatory framework.
32. We do not intend to be prescriptive in laying out actions that we expect providers to take. We will, however, be issuing reminders to providers of their responsibility to uphold quality and standards and our expectation that they continue to comply with all conditions of registration, particularly the condition relating to guidance of consumer protection law, throughout any industrial action. We will be monitoring the situation closely and will be working with bodies such as the Office of the Independent Adjudicator for Higher Education to identify where breaches of conditions may occur.

Outcomes

33. OfS currently provides £47m in support for knowledge exchange through the Higher Education Innovation Fund, which allocates a total of £210m to higher education providers through allocations made by Research England. This combined approach to investment reflects the character of knowledge exchange relationships and activity between universities and businesses, which rely on student-related activity as well as research and innovation. OfS has retained oversight of its contribution to this investment to ensure that a student focus is reflected in HEIF funded activities.
34. OfS has been working with Research England to develop a typology of knowledge exchange involving students and to improve the data gathered by HESA through the Higher Education Business and Community Interaction survey. This new typology will

influence funding formulae and an emerging Knowledge Exchange Framework exercise. It will also inform our evaluation of the impact on students, businesses and the wider economy of this specific aspect of knowledge exchange. We are also developing a joint £10m funding programme that will test and advance models of knowledge exchange involving students, which we plan to announce in autumn 2019 jointly with Research England.

Efficient and effective

35. HESA Data Futures continues to face significant delivery issues which impact onward delivery to OfS. It has now been confirmed that HESA will not be able to deliver in year data until 2021-22 at the earliest and there are still considerable questions about its ability to deliver for 2022-23. We have ceased grant funding for Data Futures until a clear way forward has been identified. [exempt from publication]
36. Meantime, we are mitigating against the impact of the lack of in-year data by updating the data HESA collect to ensure it meets emerging priorities such as monitoring student transfer, as well as looking to alternative data sources such as UCAS and SLC.
37. I reported previously that response rates to HESA's Graduate Outcomes survey were lower than expected. HESA have now completed three waves of the survey with the last, and by far the largest, wave for this first year having started in early September. The response rates have been improving with each successive cohort as HESA improve their contact strategy.
38. In December 2017 we implemented a combined HR, Finance and Payroll system called Workday, which has delivered process efficiencies, increased self-service and improved reporting capability. Phase 2 of the Workday implementation plan is to introduce additional modules, the first of which will be Workday Learning.
39. Workday Learning will provide an enhanced platform for creating and delivering organisation-wide learning. It will support the strategic priority of developing a learning & development programme for the OfS and underpin our 'Learning' value. Go live is currently planned for mid-January 2020. In future we will introduce performance management and recruitment modules alongside this.
40. We now have over 10,000 followers on Twitter, with continuing steady increases in our number of followers and engagement with our social media channels. There were 162,000 unique visitors to the OfS website in August, with 619,000 visitors between June and August. The most popular pages were the POLAR postcode look-up tool, NSS results and the OfS Register. Please see Annex c for a summary of our communications impact and examples of press cuttings.
41. The external relations directorate circulate daily press updates to OfS staff. If board members would like to receive this daily press briefing, please could they let me know or email ceooffice@officeforstudents.org.uk.



Annex A: exempt from publication

Annex B: Risk and Assurance Report – exempt from publication

Annex C: Media impact update and press cuttings – exempt from publication

Annex D - Report on use of delegated decision making

8 June to 31 August 2019

Adjustments to grant

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.
2. On 14 June 2019, the chief executive agreed to a recovery of grant of £80,976 from Croydon College. This arose following a reconciliation of the College's 2016-17 HEIFES and ILR data.
3. On 15 July 2019, the chief executive agreed a number of changes to recurrent and formula capital grants for 2016-17 to 2019-20. These were:
 - a. Approval of changes to recurrent grant for academic year 2019-20 for 24 providers. These changes total £4,960,762, and have been met from the £14 million of recurrent grant set aside for allocation after May 2019. Revised allocations for 2019-20 were included in an updated Annex A to 'Recurrent funding for 2019-20: Initial allocations' (OfS 2019.17)¹, published on 30 July 2019. The changes comprise:
 - i. Allocations for 19 providers that were not registered in the Approved (fee cap) category in time for inclusion in our recurrent grant announcement on 9 May 2019, but had become registered in that category by 8 July 2019.
 - ii. The redistribution between the Universities of Hull and York of 45 of the 90 additional medical places awarded for the Hull York Medical School.
 - iii. Changes to grant for the Bournemouth and Poole College and Loughborough College, arising from amendments to their 2017-18 ILR data.
 - iv. Acceptance of Loughborough University's appeal relating to their very high-cost STEM allocation.
 - b. Approval of changes to formula capital grant for financial year 2019-20 for 21 providers. These changes total £617,335, and have been met from the £2 million of formula capital grant set aside for allocation after March 2019. Revised allocations for 2019-20 were included in an updated Annex A to 'Formula capital funding for 2019-20' (OfS 2019.13)², published on 30 July 2019. The changes comprise:
 - i. Allocations for 16 providers that were not registered in the Approved (fee cap) category in time for inclusion in our formula capital grant announcement on 29 March 2019, but had become registered in that category by 8 July 2019 and met the £10,000 minimum threshold for a formula capital allocation.

¹ www.officeforstudents.org.uk/publications/recurrent-funding-for-2019-20/.

² www.officeforstudents.org.uk/publications/formula-capital-funding-for-2019-20/.

- ii. A formula capital funding allocation for 2019-20 for one provider (Activate Learning) that did not receive an allocation in March 2019 but, due to a merger, now meets the minimum threshold.
 - iii. The redistribution between the Universities of Hull and York of 45 of the 90 additional medical places awarded for the Hull York Medical School.
 - iv. Changes to grant for the Bournemouth and Poole College and Loughborough College, arising from amendments to their 2017-18 ILR data.
- c. Approval of the formulaic changes to grant set out below arising from data audit or reconciliation.

Formulaic grant adjustments for 2016-17 to 2018-19 arising from data audit or reconciliation

Provider	Total adjustment to recurrent grant for 2016-17 to 2017-18	Adjustment to recurrent grant for 2018-19
Bournemouth University	-£534,317	-£21,655
University of Chester	-£749,921	-£12,604
New City College	-£483,845	36,295
The WKCIC Group	£10,913	-£5,862
Yeovil College	-£39,836	-£188
Total	-£1,797,006	-£4,014

Approval of HEIF 2019-20 allocations

4. At the meeting on 26 March 2019, the board agreed that the chief executive should agree with Research England the approach to Higher Education Innovation Funding (HEIF) allocations for AY2019-20. Knowledge exchange funding as a whole is paid by UK Research and Innovation (through Research England), but the OfS remains responsible for determining the allocation method and monitoring arrangements relating to the £47 million contribution to the total that comes from the teaching budget.
5. On 21 June 2019, the chief executive gave her agreement to the HEIF funding allocation method and this was followed by a similar announcement from Research England on 2 July.³ An announcement on the allocations to individual providers was made on 26 July 2019.⁴

³ See the Research England publications: 'Funding for higher education institutions for 2019-20' available at <https://re.ukri.org/news-events-publications/publications/circular-letter-funding-for-higher-education-institutions-2019-20/>; and 'Guide to research and knowledge exchange funding 2019-20' available at: <https://re.ukri.org/news-events-publications/publications/guide-to-research-and-knowledge-exchange-funding-2019-20/>.

⁴ See <https://re.ukri.org/news-events-publications/publications/research-and-knowledge-exchange-funding-for-2019-20/>

Annex E – Future board business

November 2019

CEO report
Q2 Finance report
Student contracts
OfS student engagement strategy
Report from the student panel
Presentation on cyber security
TEF review
Report from the Remuneration and Nominations Committee
Outcomes of APP assessments
Student welfare and safeguarding
Report from the Provider Risk Committee
Report from the Horizon Scanning Panel
Innovation framework
Preserving provision
Approach to monetary penalties

January 2020

CEO report
Validation arrangements
Report from the December 2019 Risk and Audit Committee
Oral report from the January 2020 student panel meeting
Challenge competitions annual report
Amendments to the regulatory framework