

Minutes of the OfS board meeting – 13 February 2025

Location: Broadway House, Tothill Street, London

Present members:	Sir David Behan (Chair) Arif Ahmed (Director for Freedom of Speech and Academic Freedom) John Blake (Director for Fair Access and Participation) Martin Coleman Elizabeth Fagan Katja Hall Verity Hancock Susan Lapworth (Chief Executive) Michael Spence Caleb Stevens
Attendee:	Patrick Curry, Director Higher Education, Quality and Education from the Department for Education
Apologies:	Simon Levine Rachel Houchen Dayo Olukoshi
Officers:	Jean Arnold, Deputy Director of Quality Amanda Charters, Chief of Staff Josh Fleming, Director of Strategy and Delivery Paul Huffer, Head of Legal Katherine Jacob, Corporate Governance Senior Officer (clerk) Philippa Pickford, Director of Regulation Nolan Smith, Director of Resources and Finance David Smy, Deputy Director of Enabling Regulation Emma Stowell, Chief Data Officer (item 6) Will Dent, Head of Financial Sustainability (item 9)

Item 1. Chair's welcome

1. Board members and the Department for Education (DfE) representative were welcomed.
2. Apologies were received from Rachel Houchen, Simon Levine and Dayo Olukoshi.

Item 2. Minutes of the last meeting

3. The minutes and the restricted minutes of the board meeting on 2 December 2024 were approved.

Item 3. OfS strategy consultation

4. The strategy consultation is live and a series of engagement events is in train.
5. The draft strategy is being fairly well-received by the sector and students during online events. There have been requests for more detail on how the proposed integrated approach to quality would work in practice. Students have been positive about the 'I statements' and have suggested their own versions. The National Union of Students has given positive feedback, particularly in relation to the focus on students' consumer rights. Some concerns have been raised by the sector about regulatory burden, and what the OfS is going to stop, with providers tending to suggest that work on consumer rights should stop.
6. The board welcomed the update.

Item 4. Integrated quality system

7. As part of the preceding planning event, the board discussed some of the business planning assumptions that underpinned the proposal for an integrated quality system. Members challenged aspects of the proposals, in particular a programme of cyclical visits, and whether this was deliverable, given the scale of the work and the resources that would be needed. The board was also concerned that the proposal would result in providers relying on their existing TEF awards for an extended period.
8. The board requested a proposal for a more dynamic, data-driven system that could exploit technology to allow the OfS to reach a view about quality quickly if issues emerge. The model should be intelligence-led, risk-based and may not involve in a visit to every provider. The board noted that the OfS had received feedback through its engagement with the sector that was supportive of an integrated approach being compliant with European Standards and Guidelines for quality (ESG) but some board members expressed doubt that the benefits of compliance with the ESG outweighed the additional costs that would result from meeting some aspects of those requirements. However, other board members considered that compliance with the ESG would be an important aspect for any new approach.
9. The DfE representative commented that DfE broadly supports the direction of travel, and that in parallel, DfE is developing its own higher education strategy. DfE will work closely with the OfS and will provide clarity on ministers' objectives for quality beyond those set out in the proposal. While compliance with the ESG could be positive for some providers, the trade-offs should be identified.
10. The board requested that the OfS should continue its engagement with the sector on the development of the approach and the rationale for any changes to the system should be clearly communicated.

Item 5 - Restricted

11. There is a separate confidential minute for this item.

Item 6. OfS data strategy

12. The board received an update on progress in delivering the data strategy. The new team structure is in place, progress is on track, and we are working on the new technology stack.

13. The Chief Data Officer has worked closely with Jisc and is confident that Jisc is capable of delivering in year data collection. The main risk is provider readiness and providers' ability to provide any additional data that may be required in response to emerging risks.
14. In terms of data governance, a dual approach is proposed, with a mechanism to hold Jisc to account for delivery of in year data on a regular basis, and also arrangements to deliver overall governance of the designated data body.
15. The following comments were made:
 - a. Ongoing assurance to the board will be provided as part of the governance proposals.
 - b. For the sector to be able to reliably provide in year data, the detailed requirements should be stable. However, there is a tension between this and any plans to collect additional data. It will take time for the sector to become more agile and data mature and it was acknowledged that there may need to be compromises on the timeline for fully implementing in year data collection.
 - c. A relationship manager is being recruited to oversee the relationship with Jisc and other data suppliers.
 - d. It was confirmed that AI is not a specific strand of the data strategy as it has wider implications for the work of the OfS. The use of AI will ultimately be considered across every process in the OfS and how it can make our work more efficient and effective. The OfS is also considering its role in regulating the sector's use of AI.
 - e. Any successful approach to delivery must include all parties (the OfS, DfE, Jisc and the sector) and the system must be framed as a partnership, while being sufficiently robust to hold partners to account.
 - f. Exempt from publication.

Item 7. Risk report

16. The board received a report on the current strategic risks and the full list of corporate risks. The board's attention was drawn to most of the high risks by separate items on this agenda.
17. Exempt from publication.
18. Exempt from publication.
19. Exempt from publication.
20. Exempt from publication.
21. The board requested a further discussion before the scheduled board meeting in May, about prioritisation for the 2025-26 budget and business plan.
22. Exempt from publication.

Item 8. Report from the Risk and Audit Committee

23. A report of the November committee meeting was shared with the board. No other matters were brought to the attention of the board.
24. It was confirmed that the risk management systems are audited on an annual basis and that the most recent audit confirmed that our systems are robust.

Item 9. Financial sustainability

25. Exempt from publication.
26. The board was invited to discuss the proposed approach to taking forward the financial monitoring work in the light of the OfS resources available. The following comments were made:
- a. As well as financial analysts, it is important for the OfS to have the right capabilities in data analysis.
 - b. Providers are responsible for ensuring they are well-managed and governed, and for promptly reporting relevant events to the OfS. The OfS's role is to encourage good management and governance and to use regulatory tools to achieve this where appropriate and practical. Exempt from publication.
 - c. The consequences of failure must be clearly communicated to any provider at risk of closure. The OfS should make it clear that it is not able to prevent a provider from becoming insolvent.
 - d. Exempt from publication.
 - e. Exempt from publication.
 - f. Exempt from publication.
 - g. Students and parents should be able to use a provider's published financial statements to assess the financial sustainability of a provider.
 - h. Exempt from publication.
27. The board requested a further discussion about roles and responsibilities of the OfS, the DfE and providers in this area, in order to underpin development of an appropriate sustainable regulatory model for monitoring financial sustainability.
28. The board received a presentation on the early trends emerging from providers' annual financial returns.
29. The data shows that while some providers have been taking early preventative action, this may be short term only and may not indicate consideration of longer-term more radical structural changes.

Item 10 - Restricted

30. There is a separate confidential minute for this item.

Item 11. Chief Executive's report

31. Exempt from publication.

32. Exempt from publication.

33. Exempt from publication.

34. The lease for new London-based office accommodation in 10 South Colonnade, Canary Wharf has recently been signed. The new arrangements will provide better value for the OfS.

Item 12. OfS performance, resources and finance report

35. The board reviewed scenarios for different levels of OfS operational funding for 2025-26. The board requested an additional meeting to consider the business plan for 2025-26 when budgets had been confirmed by DfE.

36. The board suggested that the next iteration of the routine report should include information about the time it takes to complete key activities.

Item 13. Report from the Provider Risk Committee

37. A report of the December committee meeting was provided to the board. The discussions at the most recent meeting of the committee (in February) had been covered in previous items on this agenda. No other matters were drawn to the attention of the board.

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38. There was no other business.

39. Verity Hancock and Michael Spence left the meeting due to conflict of interests.