

Chief executives' report

Board's primary role in relation to this paper:

- ☐ A. Set strategy
- ☐ B. Set risk appetite
- ☒ C. Oversee performance
- ☐ D. Understand context

Purpose

1. This paper provides an update on achievements, issues and activities since the last meeting of the board that are not otherwise covered in separate papers.

Decisions requested

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

Paper publication

3. To be published along with the board papers (subject to appropriate redactions).

For further information, please contact Polly Payne and Ruth Hannant, chief executives.

4. We were delighted to join the OfS as chief executives on 15 June. Since then, our time has been focused on getting up to speed, engaging colleagues in the organisation and meeting the sector and key players across the wider skills system. This includes five provider visits, meeting the CEOs and chairs of all the mission groups, the Minister of State for Skills, and all the OfS non-executive directors and hosting a session open to all accountable officers of our registered providers.

Key developments

5. **Quality consultation outcomes.** On 11 June, the OfS published the outcomes of our first consultation on our new quality assessment systems, including revisions to the Teaching Excellence Framework (TEF).¹ This follows the board's discussion of our proposals in April. The new TEF will award separate ratings for 'student experience' and 'student outcomes' where data allows, and it will be cyclical, assessing universities and colleges with lower ratings more frequently. We are now working up the detail of the system which will be the subject of our phase two consultation this autumn, and the board will discuss our proposals for this later in this meeting.
6. **Annual financial sustainability report.** On 14 May the OfS published our annual analysis of the financial sustainability of the English higher education sector.² While a slight improvement was reported in institutions financial performance for the 2024-25 financial year, the sector's forecast recovery in future years continued to be dependent on optimistic growth in student numbers and the performance of individual institutions varied widely.
7. **Student insights.** Since the last board meeting, the OfS has published two student insight reports:
 - a. **Freedom of speech.** The OfS published an insight report into students' views on freedom of speech, including the results of an independent survey of 1,000 students in England on 28 May.³ While 84 per cent of students were aware they had some form of freedom of speech rights, nearly half responded that they 'knew little' about them.
 - b. **Student accommodation.** On 10 June, the OfS published independent research that was commissioned to help us understand how accommodation impacts the higher education experience of different groups of students.⁴ 87 per cent of first year students surveyed were satisfied with their accommodation experience, while 69 per cent reported that accommodation costs strongly influenced their choice of where to study. The research surfaced challenges in students understanding their contracts, and the quality and maintenance of accommodation.

¹ See: <https://www.officeforstudents.org.uk/news-blog-and-events/press-and-media/ofs-announces-revised-teaching-excellence-framework-to-drive-up-education-quality-for-students-and-reward-excellence/>

² See: <https://www.officeforstudents.org.uk/news-blog-and-events/press-and-media/ofs-warns-against-persistent-over-optimism-as-analysis-finds-institutions-under-continued-financial-pressure/>

³ See: <https://www.officeforstudents.org.uk/news-blog-and-events/press-and-media/ofs-research-finds-nearly-half-of-students-do-not-have-a-good-understanding-of-their-free-speech-rights/>

⁴ See: <https://www.officeforstudents.org.uk/news-blog-and-events/press-and-media/ofs-research-finds-over-eight-in-ten-students-are-satisfied-with-their-accommodation/>

8. **AI research.** On 27 May, the OfS launched our new partnership with Advance HE, a research project to understand the opportunities and risks presented by AI and how universities and colleges are responding. Drawing on Advance HE's research expertise, we expect the findings will support institutions to strengthen their AI capabilities and respond to key challenges. The launch was accompanied by announcement of a survey open to leaders of institutions, academic staff and students, as well as a series of eleven in person and online roundtables to gather evidence on how institutions are responding to AI. The initial phase of the fieldwork will be complete by 10 July, and we expect to publish our findings and key considerations for institutions in the autumn.
9. **University of Sussex judicial review.** On 19 May, the OfS announced that it would not be appealing the judicial review in the University of Sussex case. Since then, we have been moving forward working collaboratively with the sector to respond to the judgment and prepare for the commencement of the freedom of speech complaints scheme in September. The board will have the opportunity to discuss our response to the Sussex judgment during their planning event before this board meeting.

Emerging issues and challenges

10. **NAO review.** The National Audit Office (NAO) review of financial sustainability in universities announced in May is now well under way. The review builds on their 2022 review into the regulation of financial sustainability and this time has a broader focus on:⁵
 - whether the Department for Education (DfE) is clear on the outcomes it wants to achieve for students and taxpayers in the event a provider exits the market;
 - whether the OfS can identify and mitigate the likelihood of disorderly provider closure; and
 - whether the DfE and OfS are together equipped to mitigate the impact of provider failure, to protect students and minimise taxpayer exposure.
 - a. Exempt from publication.
 - b. Exempt from publication.
11. **Registration of franchise providers.** The deadline for registration applications from franchise providers with more than 300 students passed on 30 June. We received 35 registration cases (23 of which were received in late June 2026). Exempt from publication.
12. **Weekend loans.** We continue to work closely with DfE, the Student Loans Company (SLC) and impacted providers to ensure appropriate protection for students who were previously studying on full-time weekend-only courses and were paid maintenance support for which they were ineligible. Some impacted providers have launched judicial review proceedings with DfE and SLC, considering whether the regulations governing course eligibility relevant to this case are clear.

⁵ See: <https://www.nao.org.uk/reports/regulating-the-financial-sustainability-of-higher-education-providers-in-england/>

a. Exempt from publication.

b. Exempt from publication.

13. Exempt from publication.

14. **Strategic priorities grant.** We received formal guidance from the government on the distribution of strategic priorities grant funding for the 2026-27 financial year on 6 July.⁶ The DfE confirmed that we will be allocating £1,252 million of funding in the next financial year, a reduction of £50.9 million compared to 2025-26. Exempt from publication.

15. **Reporting decisions made under delegated authority.** The OfS scheme of delegation that came into effect on 24 November 2025 makes provision for the chief executives to report to board those decisions they consider particularly contentious (including because of material risks to the continuity of study for students, public controversy, or a legal challenge against the OfS). We and colleagues have reviewed decisions taken since the last board meeting and consider that none have met the threshold for reporting under these arrangements.

⁶ See: <https://www.officeforstudents.org.uk/news-blog-and-events/press-and-media/the-office-for-students-receives-funding-guidance-for-2026-27/>