

Office for
Students

The logo for the Office for Students, featuring a dark blue square with a white corner cutout containing the letters 'ofs' in a bold, sans-serif font.

ofs

Annual report and accounts 2021-22

June 2022

HC 165

The Office for Students

Annual report and accounts 2021-22

Presented to Parliament pursuant to schedule 1, paragraph 13 of the Higher Education
and Research Act 2017

Ordered by the House of Commons to be printed 27 June 2022



© Office for Students copyright 2022

The text of this document (this excludes, where present, the Royal Arms and all departmental or agency logos) may be reproduced free of charge in any format or medium provided that it is reproduced accurately and not in a misleading context.

The material must be acknowledged as Office for Students copyright and the document title specified. Where third party material has been identified, permission from the respective copyright holder must be sought.

Any enquiries related to this publication should be sent to us at info@officeforstudents.org.uk.

This publication is available at <https://www.gov.uk/official-documents>

ISBN 978-1-5286-3304-8

E02743763 06/22

Printed on paper containing 75% recycled fibre content minimum

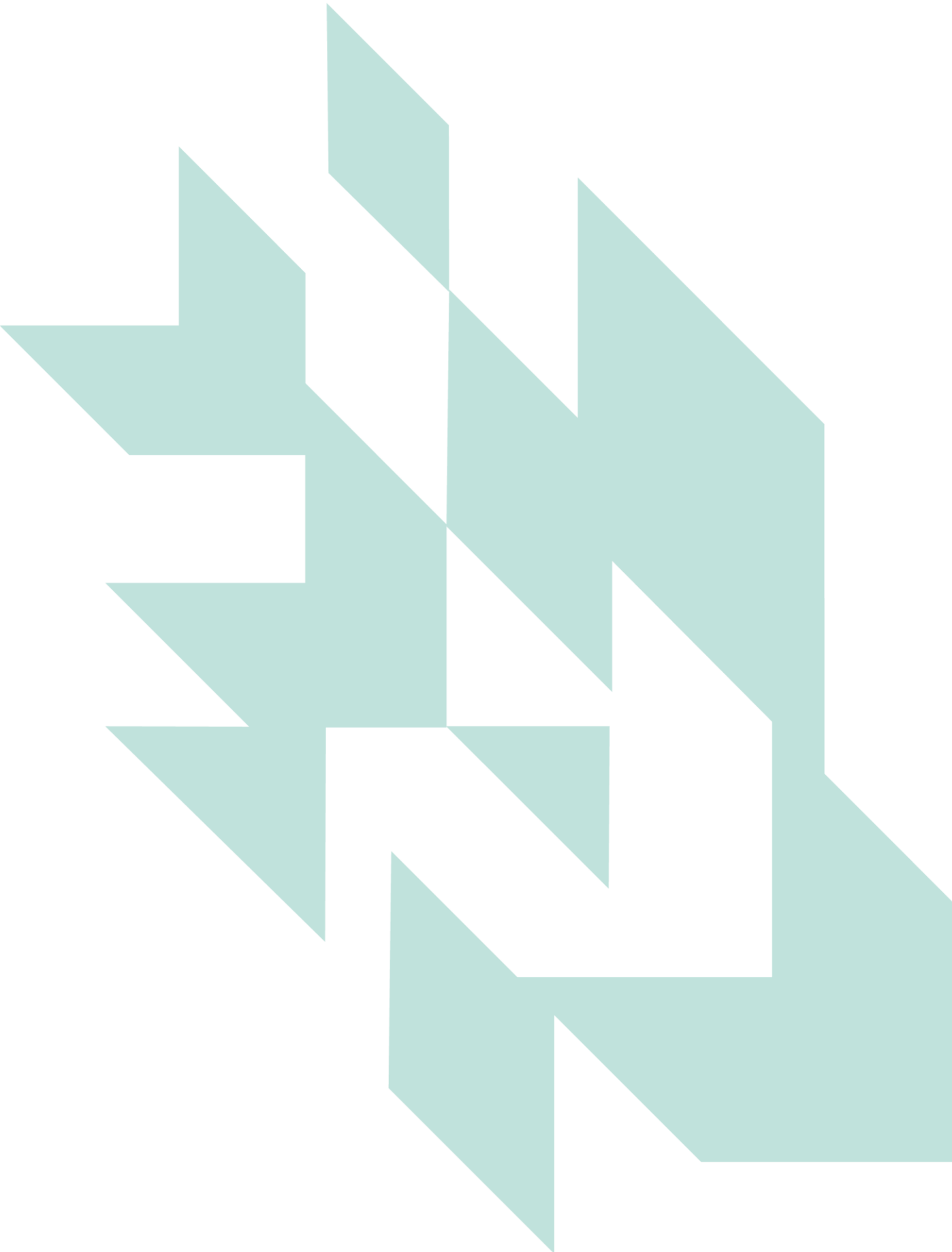
The Office for Students

Annual report and accounts 2021-22

Contents

Performance report	6
Chair's foreword.....	7
Chief executive's statement.....	9
About us.....	11
How we regulate	11
Our strategy and five objectives	12
Measuring and reporting our progress	16
How we were organised during the operating year	16
Our values	17
Our approach to risk management	17
Performance summary	18
Regulating universities and colleges	18
Participation	26
Experience	37
Outcomes	45
Value for money.....	53
Corporate performance.....	56
Financial performance	65
Performance analysis	68
Sustainability report	77
Accountability report	82
Corporate governance report	83
Remuneration and staff report.....	104
Parliamentary accountability and audit report (audited)	116
Financial statements	117

Performance report



Performance report

This section is an overview of the work of the Office for Students (OfS). It sets out our purpose, our work, the key risks to the achievement of our objectives, and how we performed during the 2021-22 operating year.

Chair's foreword

This has been an important year for the Office for Students. As the country began to recover from the pandemic, we reintroduced regulatory requirements suspended during the public health emergency, and consulted on the resetting of our approach to quality and standards.

English higher education has a world-class reputation. Many of the universities and colleges we regulate already offer good or outstanding provision. As the independent regulator for higher education in England, the OfS works to maintain and enhance this reputation. But even more importantly, we regulate to protect the interests of students. Students deserve to study on high quality courses. When they graduate, their experience should have prepared them for successful careers and enriched them as individuals.



Our revised approach to quality and standards will strengthen our ability to target those higher education providers that are letting students down. In January 2022 we published proposals explaining how we wish to regulate student outcomes. Where it appears that not enough students are completing their courses or going on to find professional employment or undertake further study, we can investigate and take appropriate action. In March 2022, in response to the second phase of our quality and standards consultation, we announced revised conditions of registration to enable us to tackle poor quality courses, and also announced new initial conditions for providers to make it easier for high quality new providers to register with us, without reducing the rigour of our assessment.

Our work on quality and standards complements our work on equality of opportunity. In November 2021, the government gave guidance on a new approach for access and participation, including encouraging the OfS to review how effectively higher education providers are working with schools and others to improve attainment among young people. Earlier this year, John Blake, the OfS's new Director for Access and Participation, set out his vision for ensuring that all students, whatever their background, are supported to access, succeed in and progress from higher education to further study or a fulfilling career. John also emphasised the mutually reinforcing nature of this work with our work on quality. Improving equality of opportunity without ensuring quality and standards are maintained will fail to deliver the outcomes we wish to see. Conversely, ensuring quality and standards without improving equality of opportunity means that students who could benefit from higher education will not.

These areas of focus – quality and standards and equality of opportunity – have been fundamental to the development of our new strategy for 2022 to 2025, published in March 2022. They will continue to underpin our work and to guide us as new issues and opportunities emerge.

Over the past year the OfS continued to support students in other ways. In April 2021, following discussions with students, universities and colleges, and third sector organisations, we published a statement of expectations setting out the practical steps we expect universities and colleges to take in tackling harassment and sexual misconduct affecting their students.¹ We were pleased the government provided further investment in Student Space, an online student mental health and wellbeing resource established in response to widespread concerns about the impact of the pandemic on students' mental health. With the Department of Health and Social Care and the Department for Education, we invested in projects to support students at risk of poor mental health, and those experiencing barriers to accessing help.

¹ See www.officeforstudents.org.uk/advice-and-guidance/student-wellbeing-and-protection/prevent-and-address-harassment-and-sexual-misconduct/statement-of-expectations/.

The ability of academic staff to exercise freedom within the law over what and how they teach and research is a cornerstone of higher education in England. The OfS's current requirements on free speech and academic freedom are embodied in the public interest governance principles set out in our regulatory framework. The Free Speech (Higher Education) Bill currently before Parliament proposes significant changes to the regulation of free speech, including new powers for the OfS. Subject to the parliamentary process, we expect this to be a strong focus for our future work.

We will also, looking ahead, align our regulation with the skills and lifelong learning policy set out in the government's response to the Augar review of post-18 education.

Underpinning all our work is the third area of focus in our new strategy – enabling regulation. This captures underlying regulatory work that enables quality and standards, equality of opportunity, and areas of our work that are necessary for the higher education system to operate effectively. Key to this is our commitment to continue to minimise the regulatory burden on providers that do not represent increased regulatory risk, focusing our attention on the providers where we judge that the risks to students are highest.

I would like to thank Nicola Dandridge, who stepped down as the OfS's chief executive in April 2022, for her exemplary leadership of the OfS over the past five years. Nicola has steered the organisation from its establishment to the point where we are strengthening our ability to take enforcement action, having navigated the challenges of the pandemic on the way. My thanks, too, to Susan Lapworth for acting as interim chief executive until December 2022. She will provide continuity and experience as we take forward our consultations on quality and student outcomes.

Finally, I thank our board, committee, and panel members, and OfS staff, for their commitment and valuable contributions to our work.

Lord Wharton of Yarm, OfS Chair

Chief executive's statement

Over the past year, students' teaching and learning, work experience opportunities and social lives continued to be disrupted by the coronavirus pandemic. Despite these challenges, a record number of students of all ages entered full-time undergraduate courses in autumn 2021 at universities and colleges in England.²

The pandemic saw significant changes in the delivery of higher education, in particular the extensive adoption of digital and blended approaches to learning. Universities worked hard to deliver this shift and started to return to face-to-face teaching when public health restrictions were lifted. Even so, many students had a less than positive experience and too many have not received the in-person teaching they expected this year.



This year's National Student Survey included specific questions about students' experiences during the pandemic. We used this feedback and other lessons from the pandemic, and engaged with students and our student panel, to inform our future regulatory approach. Our work during 2021-22 created the platform for a step-change in our regulation; this annual report looks back at those achievements. Our new strategy for 2022 to 2025, published in March 2022, looks forward. It sets out the two key areas in which we will deliver this step-change – quality and standards, and equality of opportunity – and highlights how they are connected.

In 2021, we published the first in a series of consultations resetting our approach to quality and standards and have now begun to implement the outcomes of those consultations. We announced amendments to four ongoing quality and standards conditions in our regulatory framework³ which raise and strengthen the bar for high quality courses and allow us to tackle degree 'grade inflation'. The revised conditions came into effect on 1 May 2022 and we have begun active regulation based on those requirements.

As part of the development of our approach to quality, in October 2021 we published a review of proficiency in written English in providers' assessment practices. We reviewed practices in a small number of universities and colleges to identify examples of approaches that maintained rigour and examples of those that did not. The review concluded that providers should assess spelling, punctuation and grammar where relevant to the course, subject to compliance with their obligations under equality legislation. It highlighted why most students on most courses should be assessed on their technical proficiency in written English. We found that this was not always happening in practice and our revised conditions of registration will allow us to act on these issues in future.

We also introduced two new initial conditions of registration to the regulatory framework. These will apply to providers' applications for registration made on or after 1 May 2022 and will smooth the path to registration for new high quality providers.

In January 2022, we launched linked consultations on regulating student outcomes, the Teaching Excellence and Student Outcomes Framework (TEF) and the construction of indicators to show providers' performance. We proposed setting minimum requirements for the outcomes that universities and colleges must deliver in relation to course continuation and completion, and for graduates going on to a professional job or further study. Our aim is to create a single coherent

² 413,730 full-time undergraduate UK-domiciled students were accepted on higher education courses in England in autumn 2021, compared with 393,200 in 2019 (source: UCAS end of cycle data).

³ See www.officeforstudents.org.uk/publications/securing-student-success-regulatory-framework-for-higher-education-in-england/.

approach to quality and standards underpinned by robust and transparent measures of performance. We will link our focus on protecting minimum requirements with the task of incentivising excellence through the TEF across a diverse and autonomous sector.

We expect that many universities and colleges will comfortably meet our requirements for quality and standards; they should not be concerned by our regulation. Our changes are rightly focused on those providers that are letting students down with low quality courses, assessment that lacks rigour, and weak outcomes. This matters because higher education brings life-changing opportunities, and all students should benefit from their investment in their studies.

However, we are not satisfied that the higher education sector is doing all it can to deliver equality of opportunity, and the pandemic magnified the importance and scale of this challenge. In parallel with our work on quality and standards, we have therefore begun to reframe our approach to access and participation and, in particular, to build an ecosystem of evidence-based practice.⁴ We are challenging providers to deliver equality of opportunity through their access and participation plans by partnering with schools and other organisations to improve attainment up to the age of 16. We have also set out expectations in other areas. Students from disadvantaged backgrounds who chose higher education must be properly supported to succeed and must be able to complete their course and benefit from it as they embark on their careers. Many providers deliver high quality courses to students from underrepresented groups and ensure those students have positive outcomes; we agree that it is not necessary to compromise on quality and standards to deliver to such students.

We are also renewing our focus on non-traditional pathways and modes of study. Our interest in different routes to and through higher education mirrors the government's ambitious proposals for the Lifelong Loan Entitlement (LLE) and its higher education reforms more broadly. We continue to work closely with government on these policy changes to ensure that we can deliver flexible and robust regulation ahead of the implementation of the LLE in 2025.

Throughout our work we continue to listen to students' voices and views. We recently launched our refreshed student engagement strategy, with revised student engagement priorities for the next two years. Our student panel provides students' perspectives, and invaluable support and challenge. During 2021-22, its members contributed to our work on quality and standards, the TEF, access and participation plans, tackling harassment and sexual misconduct, and student wellbeing and mental health.

During 2021-22 we continued to work with higher education providers, and other stakeholders, holding more than a dozen online events, many of which reached substantial audiences. We understand the interest of universities and colleges in our ongoing work to minimise regulatory burden and will continue to engage with them on this issue over the next year and to extend the progress we have already made. We will also be carrying out a more systematic analysis of providers' perceptions of the OfS this year.

This was another stretching year for OfS colleagues. They work in a dynamic policy environment and continue to deliver high quality complex work at an impressive scale. Like others in the higher education sector and beyond, they have managed this during 2021-22 while also managing the ongoing impact of the pandemic on their lives, families and colleagues. I thank them for their professionalism and goodwill in such a demanding period.

Susan Lapworth, interim OfS chief executive

⁴ See www.officeforstudents.org.uk/news-blog-and-events/events/next-steps-in-access-and-participation/.

About us

The Office for Students is the independent regulator of higher education in England. Higher education may take place in universities, colleges, and a wide range of other settings, such as business or theatre schools.

The OfS was established by the Higher Education and Research Act 2017 (HERA). As an independent public body, we report to Parliament through the Department for Education (DfE).

This report covers the operating year from 1 April 2021 to 31 March 2022. Nicola Dandridge ended her term of office on 30 April 2022. Susan Lapworth, the OfS's director of regulation, was appointed as interim chief executive and accounting officer from 1 May 2022 to 31 December 2022.

Our aim is to ensure that every student, whatever their background, has a fulfilling experience of higher education that enriches their lives and careers.

We regulate in the interests of students and prospective students from all backgrounds, whether they are:

- undergraduates, postgraduates or studying other levels of higher education
- UK-based or international
- studying full-time or part-time
- based on campus, learning at a distance or in work-based settings, or anything in between.

How we regulate

The OfS regulates a diverse higher education sector of more than 400 universities and colleges. For the English higher education sector as a whole, we regulate to create the conditions for competition, continuous improvement, and informed choice for students.

Not all providers of higher education in England are registered with the OfS. A higher education provider must register with the OfS if it wishes to:

- access public grant funding, such as funding to support teaching, or student support funding, such as enabling a provider's students to access student finance, or both
- apply to the Home Office for a student sponsor licence to recruit international students, or to maintain an existing licence
- apply for degree awarding powers to award their own degrees, for university title, or for both.

We are a principles-based regulator. Our approach is based on a set of minimum expectations that we refer to as the 'regulatory baseline'. These expectations represent the minimum performance to which students and taxpayers are entitled.

The baseline is predominantly expressed through our conditions of registration. All registered providers are required to satisfy these. We also use statements of expectations and other tools to express the minimum level of performance we expect from providers. Providers can apply to register in one of two categories: Approved (fee cap) and Approved.

Most of our operational income comes from an annual registration fee charged to all registered providers. The mechanism and rates charged are set in secondary legislation, which is determined

by the DfE. We also receive grant-in-aid from the DfE to provide additional grant funding to our registered Approved (fee cap) providers.

The most significant source of funding for teaching to providers is through tuition fees charged to students. However, it is not the only source of funding. We allocate funding to more than 300 providers in England registered with us in the Approved (fee cap) category.

OfS funding supports:

- Areas where teaching costs are particularly high (such as science, engineering and medicine).
- Particular policy areas and government priorities. Funding includes targeted funding such as the nursing, midwifery and allied health supplement, or student premium funding to support successful student outcomes as outlined on page 37.

We allocate most of our funds by academic year (August to July), though some funding – such as capital funding – is allocated by financial year (April to March). Most funding is allocated by formula as recurrent grants, based on the numbers and types of students at a provider.

The 2021-22 academic year overlaps two financial years: the last eight months of the 2021-22 financial year and the first four months of the 2022-23 financial year. In academic year 2021-22 the overall grant we are distributing is £1,437 million, consisting of recurrent funding of £1,266 million, £21 million for national facilities and regulatory initiatives, and £150 million in capital funds.⁵

HERA makes provision for the OfS to work with two designated bodies. The designated quality body, performing the assessment functions in relation to quality and standards in English higher education, is the Quality Assurance Agency for Higher Education (QAA). The designated data body that compiles and publishes data on English higher education is the Higher Education Statistics Agency (HESA).

Consistent with our role as an independent regulator, we work with the DfE and other government agencies. We also engage with student and sector organisations, UK Research and Innovation (UKRI), the devolved administrations and a range of other stakeholders.

Our strategy and five objectives

Our strategy for 2018 to 2021 (which was extended to 2021-22 due to the pandemic) set out our objectives. We have four regulatory objectives and a fifth objective concerning corporate efficiency and effectiveness.

Underpinning these objectives are strategic outcomes which articulate what we seek to achieve.

⁵ See www.officeforstudents.org.uk/publications/recurrent-funding-for-2021-22/.

Strategic objectives

Participation	Experience	Outcomes	Value for money	Efficiency and effectiveness
<p>Regulatory objective 1:</p> <p>All students, from all backgrounds, with the ability and desire to undertake higher education, are supported to access, succeed in, and progress from higher education.</p>	<p>Regulatory objective 2:</p> <p>All students, from all backgrounds, receive a high quality academic experience, and their interests are protected while they study or in the event of provider, campus, or course closure.</p>	<p>Regulatory objective 3:</p> <p>All students, from all backgrounds, are able to progress into employment, further study, and fulfilling lives, and their qualifications hold their value over time.</p>	<p>Regulatory objective 4:</p> <p>All students, from all backgrounds, receive value for money.</p>	<p>Overarching strategic objective</p> <p>The OfS is an efficient and effective regulator.</p>

Strategic outcomes

Participation	Experience	Outcomes	Value for money	Efficiency and effectiveness
<p>P1: Access, success and progression are not limited by background and identity, and gaps are significantly reduced.</p>	<p>E1: Students are able to choose from a diverse range of high quality higher education provision, which is responsive to the preferences and needs of students from all backgrounds and to the shifting national and global environment.</p>	<p>O1: Graduates and postgraduates leave with the knowledge and skills that will contribute to their national and local economies, and drive productivity.</p>	<p>V1: Higher education delivers value for students, graduates, taxpayers and employers, especially in the form of positive student outcomes.</p>	<p>EF1: The OfS is a well-managed and appropriately structured organisation, which supports and develops its staff to enable delivery of its objectives.</p>

P2: All access and participation activity is underpinned by evidence and 'what works'.	E2: Students have a positive experience of higher education and are highly satisfied with the quality of teaching, learning, wider experience and outcomes.	O2: Students' lives are improved and enriched by their time in higher education.		EF2: The OfS has the right systems and process, infrastructure and resources to support delivery of its objectives.
	E3: Students' knowledge and skills are improved during their higher education experience.	O3: Qualifications hold their value over time and students are able to use them long after leaving higher education.		EF3: Regulatory burden for providers is minimised.
	E4: Students' interests are protected when events have a material negative impact on their ability to continue to study on a course, at a campus, or with a provider.			

Each strategic outcome is supported by key performance measures (KPMs), which help us to demonstrate our progress against the strategic outcomes, and our strategy and business plan for the year under review.

Several of our KPMs relate to the performance of higher education providers and are necessarily lagging indicators, reporting on what has happened in past academic years. The most recently available data relates to the 2020-21 academic year, beginning in August 2020 at a relatively early stage of the pandemic. That academic year was challenging for students in many respects because of the pandemic, with limited in-person teaching and learning, restrictions on socialising and on opportunities for placements or paid employment, and effects on students' physical and mental health.

The table below summarises the KPMs discussed in this report.

Key performance measures

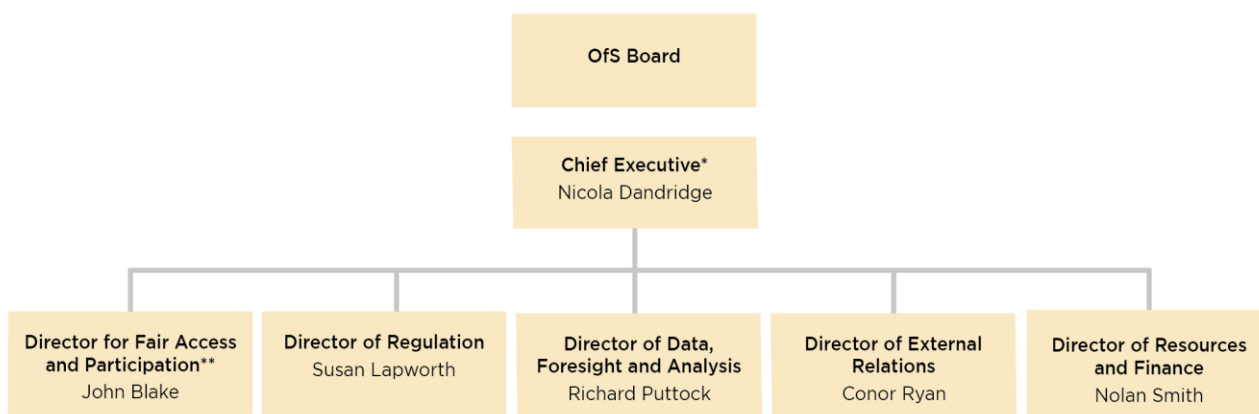
Participation	Experience	Outcomes	Value for money	Efficiency and effectiveness
Gap in participation between most and least represented groups.	Diversity of provision.	Employers consider that graduates are equipped with the right skills and knowledge.	Student perceptions of value for money.	OfS staff survey results on the extent to which staff understand and feel they contribute towards the OfS's strategic objectives.
Gap in participation at higher-tariff providers between the most and least represented groups.	Geographical changes in the availability of particular types of higher education provision.	Graduate wellbeing.	Employer perceptions of graduates' knowledge and skills.	OfS staff survey results on employee engagement.
Gap in degree outcomes (1sts or 2:1s) between white students and black students.	Students responding positively to the National Student Survey question on overall satisfaction.	Monitoring the proportion of students achieving 1sts.		Five quantitative measures monitoring activities that cause regulatory burden for providers.
Gap in non-continuation between the most and least represented groups.				
Gap in degree outcomes (1sts or 2:1s) between disabled students and non-disabled students.				

Measuring and reporting our progress

We measured our progress against our objectives in several ways in 2021-22:

- We undertook frequent reviews of our business plan to take account of changes in the external environment and staff capacity. Our Portfolio Management Office (PMO) completes six-weekly updates on the progress of the business plan, and three-weekly updates on priority areas of activity. Our senior team closely monitored our progress, took decisions about reprioritisation and considered the associated risks.
- We maintained a cycle of quarterly in-depth reviews of progress in relation to: the organisational score card; activity-level progress within the business plan; strategic risks; technology issues; staff resource; and financial position.⁶
- The OfS board and Risk and Audit Committee received updates and reviewed performance and the risks to delivery.
- We tracked our performance against our KPMs.
- We reported to the DfE on our progress.

How we were organised during the operating year



* On 1 May 2022, Susan Lapworth became interim chief executive until 31 December 2022, and the current policy responsibilities of the Director of Regulation role were split between two temporary director-level roles of Director of Quality, held by Jean Arnold, and Director of Monitoring and Intervention, held by David Smy. The two temporary directors are jointly responsible for delivery of the operational work of the Compliance and Student Protection directorate.

** Like the Chief Executive, the Director for Fair Access and Participation is an executive member of the OfS board and is a public appointment as set out in HERA. Chris Millward held this role until December 2021. More detail on the OfS board can be found in the corporate governance report.

⁶ The organisational score card includes selected internal performance indicators to support understanding of progress and achievement of goals.

Our values

Our behaviour is guided by four organisational values, which shape the way we work with students and the higher education sector.



Our approach to risk management

We identify, assess, manage, review and record risks in line with our risk management policy and approach, which is outlined in more detail in our governance statement. Our approach involves:

- Identifying and managing risks at strategic, corporate and operational levels.
- Aligning risk with planning and project management at corporate level.
- Systematic use of risk appetite in determining the risk response.
- Integration of assurance and internal control review.
- Building our risk maturity through our work on a consistent organisation-wide culture relating to risk.⁷ An annual internal audit of our risk management processes found strong compliance with internal controls in the updating of risk scores and reporting to the Risk and Audit Committee and board.

⁷ A summary of the strategic risks we faced during the operating year is on page 63 and a more detailed account of risk management systems is described on page 93.

Performance summary

This performance summary reports on our progress in delivering against our objectives and the commitments in our business plan.

Regulating universities and colleges

Strategic outcome O2: Students' lives are improved and enriched by their time in higher education.

Strategic outcome E4: Students' interests are protected when events have a material negative impact on their ability to continue to study on a course, at a campus, or with a provider.

At the outbreak of the pandemic in 2020, the objectives that underpinned our regulatory response were to minimise long-term damage to the higher education sector at a time of great uncertainty, and to protect, so far as possible, the quality of teaching and learning. We had modified some regulation to allow universities and colleges space to manage the public health emergency, and during the 2021-22 operating year we carefully reintroduced regulatory requirements and began to reset our ambitions for quality and standards through a consultation process.

Monitoring and intervention

One of the key lessons of the pandemic was that we needed to be able to move more quickly to protect the student interest. The escalation of risk of a university or college closure related to the effects of the pandemic led to our introduction of new ongoing condition of registration, condition C4, which came into force on 1 April 2021. This condition enables us to intervene speedily in a targeted way when we consider there to be a material risk that a registered provider may cease the provision of higher education. The condition applies to all providers registered with the OfS, except further education bodies, which have different regulatory arrangements in relation to risks to their ability to continue to operate.⁸

In the year under review, we prepared for the possibility of the market exit of The Academy of Live and Recording Arts (ALRA).⁹ We made use of condition C4 and worked behind the scenes with a number of organisations to secure options for students' future study when emerging financial concerns were reported to us. We sought to find the best ways for the existing cohorts of students over two separate sites to be able to stay together, have a positive experience of their higher education and achieve their qualifications. All ALRA students were offered opportunities to continue their studies with Rose Bruford College, St Mary's University in Twickenham and Arts University Bournemouth.

This year we assessed around 250 financial returns from providers to identify those that could experience financial difficulties and potentially breach our ongoing condition of registration for financial viability and sustainability. Financial data was required from all registered higher

⁸ Defined in section 4 of the Technical and Further Education Act 2017.

⁹ Given the timing of the closure in early April 2022, the impact of the closure is not yet visible in our KPM 14 measure. The measure shows the number of students who continue their studies following closure as a proportion of the total students affected by the closure.

education providers in England, excluding those further education colleges offering higher education provision that submit data to the Education and Skills Funding Agency (ESFA).

We engaged closely with those providers we identified as potentially being at increased risk. Such work is generally not visible, but is an important and demanding part of our regulatory role.

In March 2022, the National Audit Office (NAO) reported on the OfS's work to protect students' interests from the consequences of financial risk in higher education providers. The NAO found that the OfS makes good use of the financial data it collects, analysing it in a systematic and structured way to identify providers for closer scrutiny. The NAO noted that rising numbers of providers in deficit indicate increased financial pressure in the sector.

At December 2021, 10 providers were subject to enhanced monitoring requirements as a result of regulatory concerns about their financial sustainability, and the OfS was engaging with a further 13 providers to understand their level of risk.

Patterns and trends in sector financial viability and sustainability

In June 2021 we published an analysis of the aggregate position of the English higher education sector based on data returned to the OfS in March 2021. Forecast data from universities and other higher education providers found that the sector projected a decline in financial performance in 2020-21 followed by a slow recovery from 2021-22 onwards. Continued income growth, backed by strong recruitment of both domestic and international students, is projected in the medium or longer term. However, the report notes that a range of factors, including new variants of COVID-19, the economic recovery following the pandemic and the need to secure financial sustainability of pension schemes, pose continuing financial challenges for institutions. While there were variations in financial performance, the likelihood of multiple providers exiting the sector due to financial failure was assessed as low.

Revised guidance on reportable events

We publish guidance for registered providers about the events or matters they are required to report to us. In the early months of the pandemic, we narrowed our requirements to focus primarily on events relating to short-term financial risk, and to the cessation or suspension of the delivery of higher education. As part of our phased reintroduction of requirements, we consulted on a revised approach to reportable events and introduced revised guidance, which became effective on 1 January 2022.¹⁰ Our new definition maintains a principles-based approach, focusing on the issues that the OfS needs to know about because they relate to one or more of provider's eligibility for registration, compliance with its conditions of registration, eligibility for degree awarding powers or university title, and compliance with the criteria for degree awarding powers.

Reporting may prompt the reassessment of risk in relation to one or more of a provider's ongoing conditions of registration and determination of whether any further regulatory action is required. On average we receive notice of eight reportable events each week, although in some weeks we could expect to receive up to 15.

Monetary penalties

Monetary penalties are one of a range of formal sanctions that we can use when we find that a higher education provider has breached one or more of the OfS's conditions of registration. In the previous operating year, we consulted on proposals about how we should calculate a monetary penalty. Following thorough consideration of the responses, in July 2021 we published guidance

¹⁰ See www.officeforstudents.org.uk/publications/regulatory-advice-16-reportable-events/.

on our approach, including explaining how we would calculate the monetary penalty by reference to a provider's 'qualifying income' (which broadly includes all relevant fees for relevant higher education courses and OfS grants received by a provider for the relevant year), and how mitigating and aggravating factors would be taken into account in a five-step calculation process to decide on an appropriate penalty.¹¹

Resetting our approach to regulating quality and standards

A key priority during the year under review was to ensure that that all teaching, whether in person or online, provides a high quality academic experience for students. During this operating period, our position was that providers should move back to their normal patterns of face-to-face delivery as soon as public health restrictions were removed by government. We stressed the importance of communication to students about what they should expect in terms of how teaching would be delivered and the circumstances in which changes may be made. A major focus of our work throughout this year has been the development of our regulation of quality and standards as we move beyond the pandemic. We began this work in the preceding operating year, with the publication of phase one of our consultation to reset our approach to quality and standards, which dealt with the broad principles.

We start from the premise that all students are entitled to the same minimum level of quality. We do not accept that students from underrepresented groups should be expected to accept lower quality and weaker outcomes than other students. So we do not embed their disadvantage into the regulatory system by setting lower minimum requirements for universities that typically recruit these types of students. Regulating minimum requirements for quality and standards safeguards both quality and equality of opportunity, because it ensures that all students (including those with protected characteristics) receive an education that meets these requirements. If a subset of the student population is not offered sufficient support to achieve our minimum outcomes, students have not had a genuine opportunity to benefit from higher education, and therefore have not experienced meaningful equality of opportunity.

We have committed to reducing burden on providers that do not pose specific increased risk, by targeting our activity where it is most needed. Many universities and colleges in England offer high quality courses and teaching and will comfortably meet our minimum requirements. Our focus is on those providers offering low quality courses and declining standards that do not offer value for money for students or taxpayers. Our changes will allow the OfS to intervene quickly, decisively and transparently to protect students from such practices.

Phased consultations on quality and standards

We received and considered approximately 330 responses in total to the first two phases of our quality and standards consultation this year. Responses to our phase one consultation on our broad approach to quality and standards informed a second phase of consultation on our approach to regulating quality and standards from July 2021 to September 2021.

The Phase two consultation on regulating quality and standards set out our proposals for more detailed conditions of registration – the B conditions. These comprised:

¹¹ See www.officeforstudents.org.uk/news-blog-and-events/press-and-media/ofs-sets-out-approach-to-calculating-monetary-penalties/.

- Condition B1, which requires that all students receive a high quality academic experience in which courses are up to date and effectively delivered, provide educational challenge and equip students with the skills they will need after graduation.
- Condition B2, which would require all students to receive the resources and support they need to succeed on their courses and after graduation.
- Condition B4, which would require students to be assessed effectively and receive credible qualifications that stand the test of time, so clamping down on grade inflation.
- Condition B5, which would ensure that standards are consistent with sector-recognised standards.

Early in March 2022 we announced revised conditions of registration in relation to the conditions B1, B2, B4 and B5 described above, and announced two new initial conditions of registration, B7 and B8, which will apply to new providers applying to register with the OfS.

In March 2022 we launched a review of blended learning, amid concerns that a poor quality online experience for some students during the pandemic undermined the positive potential of mixing in-person and online course delivery. An academic expert review team will carry out fieldwork at participating providers to allow us to make judgments and report on where approaches represent high quality teaching and learning, as well as approaches that are likely to fall short of the OfS's requirements set out in the revised B1 and B2 quality conditions.

Proposals for student outcomes: Condition B3

Our regulation of quality is concerned with the outcomes higher education delivers for students, such as whether students complete their course and what their progress to employment or further study looks like. In January 2022, we published three linked consultations. The first of these concerns condition B3 which relates to student outcomes.¹² We proposed a series of numerical thresholds calculated by reference to sector-wide performance, to show the minimum level of performance that students from all backgrounds should generally expect each provider to deliver. To measure student outcomes we would use indicators constructed from individual student data that we hold.

Our approach seeks to make a rounded judgement about a provider's performance, and a provider's position in relation to a numerical threshold would not, by itself, determine whether it was compliant with our condition.

In testing whether providers are delivering positive outcomes for their students we would consider:

- Whether, in our judgement, a provider's outcomes are at or above specific numerical thresholds.
- If we judge a provider's outcomes to be below our numerical thresholds, whether it is nonetheless delivering positive outcomes if we otherwise judge that its context justifies the outcomes.

¹² See www.officeforstudents.org.uk/publications/student-outcomes-and-teaching-excellence-consultations/student-outcomes/.

- In our decision making we will also take account of matters relating to the data for a provider, including where we do not hold sufficient data, or the data refers to fewer students than the minimum number.

We provided the indicators we proposed to use to universities and colleges to enable them to assess their own performance in relation to our proposed numerical thresholds, across the breadth of courses and for particular groups of students and subjects.

Excellence above the baseline: The Teaching Excellence and Student Outcomes Framework

In parallel with our consultation on regulating student outcomes, a linked consultation concerned the Teaching Excellence and Student Outcomes Framework. We consulted on the future development of the TEF, as we intend that the design of the TEF, applying above the baseline, will be coherent and consistent with our regulatory baseline requirements. We are also seeking to ensure consistency between the data and indicators that underpin both our regulation of student outcomes and the TEF.¹³

Under the proposals, universities and colleges in England would be assessed on undergraduate courses for a TEF award – of Gold, Silver or Bronze – every four years, with some assessed as requiring improvement. We intend that the TEF will give universities and colleges the freedom to innovate and pursue excellence as they see fit, reflecting the character of their own students, subjects and courses. This approach reflects the diverse and autonomous nature of the sector we regulate and helps to maintain and strengthen its world-leading international reputation.

Our proposals were informed by evidence from previous TEF exercises and the independent review by Dame Shirley Pearce, as well as the findings of our own subject-level TEF pilots.¹⁴ Drawing on this evidence, we proposed that each university or college would be rated as a whole, rather than giving ratings by subject. A provider's overall rating would consider the quality of teaching and student outcomes across the full spectrum of its undergraduate courses. The Pearce review did, however, recommend that there could be an important role for highlighting the evidence of quality at subject level, and this consideration is reflected in our proposals.

We proposed that there would be a student submission, which would allow student representatives to work together to provide their own evidence in addition to their university or college's submission, and enrich the TEF assessment panel's understanding of students' experience of teaching and learning at that university or college.

A third linked technical consultation set out how we propose to construct, present and interpret the data that would form the evidence base for regulating student outcomes and would inform TEF assessments.

¹³ See www.officeforstudents.org.uk/for-students/teaching-quality-and-tef/student-outcomes-and-excellence/future-of-the-tef/.

¹⁴ See <https://www.gov.uk/government/publications/independent-review-of-tef-report> and www.officeforstudents.org.uk/advice-and-guidance/teaching/future-of-the-tef/subject-level-pilots/.

We were keen to hear from students and their representatives who have an important stake in the success of our quality and standards work. Our communications highlighted proposals within the three linked consultations that may be of most interest to them. We ran a series of interactive workshops for students and their representatives in spring 2022 to seek their views.

Student and consumer protection

The OfS does not have a direct role in dealing with individual complaints or disputes between students and their providers. However, universities and colleges that are registered with us must have a clear, effective process for the resolution of student complaints. If a student is not satisfied with the outcome of their complaint to a provider, they can contact the Office of the Independent Adjudicator for Higher Education or seek redress by taking legal action for breach of contract, or under consumer protection law.

Students, staff or members of the public who feel that a provider is not meeting the OfS's regulatory requirements – for example, on teaching quality or academic support – can alert us to concerns using our notifications process.

We know through our engagement with the National Union of Students, our student panel, and students on social media that not all students have been receiving a high quality experience, with some providers delivering significantly reduced course content or students not being able to access the right resources and support for their learning. As a regulator we are interested in issues that might be affecting particular courses or groups of students.

Notifications

In the year under review we considered 245 third party notifications, compared with 316 in the previous year. We generally receive notifications from students, parents of students or staff working at providers.

In academic year 2020-21 there were 19 notifications relating to the quality of courses, 33 relating to assessment and standards, and 18 stating that a university or college was not delivering a course 'as promised or expected'. Most notifications related to circumstances arising from COVID-19 disruption.

Since the academic year 2021-22 began in August 2021, to the end of March 2022, there were a further 11 cases relating to quality of courses, 18 relating to assessment and standards, and 16 relating to a course not being delivered as promised or expected.

We intervened in a number of these cases, requiring providers to explain what had happened, what they had done, and what action they proposed to take. In some cases, we required further action.

Industrial action

In addition to the continuing challenges caused by the pandemic, many students this year experienced disruption relating to industrial action. As a regulator, our concern is the interests of students, and we do not take a view on the substance of an employment dispute.

In November 2021 we published a briefing note for providers reminding them of their responsibilities under the OfS's conditions of registration and consumer protection law, to minimise the effect of industrial action on students and consider whether partial refunds would be appropriate.¹⁵ We also wrote to providers affected by the action, to emphasise our expectations, and updated our student guide to industrial action, which sets out what students can expect from their providers during industrial action, and how to make complaints to their provider and the Office of the Independent Adjudicator for Higher Education.

Offers to students

During the year we identified some registered providers that may have clauses in their contract with students that allow them to withdraw offers if a course is oversubscribed. We were concerned that the use of such clauses could contravene consumer protection law. Our ongoing condition of registration C1 requires providers to have regard to relevant guidance about how to comply with consumer protection law, including that published by the Competition and Markets Authority (CMA), when developing and implementing their policies and terms and conditions.

In November 2021 the DfE issued a letter to vice-chancellors in England about their admission policies and contractual terms, and the CMA reiterated its views in a statement on consumer protection law in relation to higher education offers.¹⁶ We advised registered providers to familiarise themselves with the CMA's statement and guidance and take action to review and change their terms and conditions where necessary. We also warned providers that a potential breach of consumer law could prompt us to investigate and carry out enforcement action to address any failures to comply with one or more of our conditions of registration.

Admissions

We wanted to ensure that vulnerable and underrepresented students were not pressured to accept offers which might not be in their best interest. So last year we introduced a temporary condition of registration regulating the use of unconditional offers, particularly where a prospective student had to make a provider their first or only choice. This condition remained in place until 30 September 2021 and delivered its aim of dramatically reducing the number of unconditional offers and eliminating conditional unconditional offers.

We paused a consultation on admissions at the outbreak of the pandemic. In the interim period, the government published its consultation on whether to move to a system of post-qualification admissions, and subsequently ruled out that option. Therefore, we took the decision not to reopen our own consultation.

In March 2022 we welcomed the publication of a fair admissions code by Universities UK and GuildHE, which applies to the admission of home undergraduate students, and sets out revised principles for fair admissions developed during Universities UK's Fair admissions review.¹⁷ We were pleased that 103 English universities and colleges had already signed up to the code by 31

¹⁵ See www.officeforstudents.org.uk/publications/briefing-note-disruption-to-students-caused-by-industrial-action/.

¹⁶ See <https://www.gov.uk/cma-cases/consumer-protection-review-of-higher-education#admission-policies-and-terms>.

¹⁷ See <https://www.universitiesuk.ac.uk/what-we-do/policy-and-research/publications/fair-admissions-code-practice>.

March 2022. However, we noted that we may take further regulatory action if the code is not successful in preventing unfair practices such as conditional unconditional offer-making.

Freedom of speech and academic freedom

Free speech and academic freedom should be part of the culture of every university and college and be proactively promoted. Academic staff must be able to undertake teaching and research with confidence and speak out in controversial areas without fear that this will affect their working environment or their careers. It is important for students to engage with views and theories with which they may not agree, as this is an essential element of the whole experience of higher education.

During this year, the government introduced the Higher Education (Free Speech) Bill into Parliament and we prepared to implement changes that may result from legislation, if passed.¹⁸ The bill strengthens the legal duties on higher education providers and makes significant changes to the regulation of free speech, within providers and their students' unions. In the meantime, we continue to use our existing powers and during this year we opened an investigation into free speech issues at a registered provider.

The Prevent duty

The requirements of the Counter-Terrorism and Security Act (2015) remained in place. We are responsible for monitoring over 330 providers, as our responsibility extends to some non-registered providers and all the autonomous colleges, schools and halls of the Universities of Cambridge, Durham and Oxford.

One of the ways we require providers to report on their Prevent-related activity is through the Prevent accountability and data return, which includes reporting on the management of welfare cases, external speakers and events, and staff training. From 1 January 2022, all registered providers were required to report Prevent-related serious incidents and Prevent-related changes of circumstances as reportable events, and non-registered providers were required to report Prevent incidents directly to the OfS Prevent team. In our monitoring work, we prioritised engagement where we had significant compliance concerns and with those providers newly subject to the Prevent duty.

Engaging with the sector on data collection

Data plays a critical part in our regulatory approach. Working with the designated data body, HESA, we publish a wide range of data that allows universities and colleges to compare their performance with others. Our datasets include access and participation, associations between student characteristics to explore equality of opportunity issues, results from the NSS, and data on senior staff pay.

In July 2021, we held a series of virtual discussions with around 60 colleagues from across the higher education sector to help us to better understand what generates burden in data collection and how we and our designated data body might seek to reduce it, while continuing to deliver our regulatory objectives. We confirmed that the drivers of burden are complex and are not only related to the number of data returns providers make, but are influenced by quality expectations and the content of the returns.

¹⁸ See <https://bills.parliament.uk/bills/2862>.

In December 2021, we launched a consultation on how HESA should collect in-year student data in England. The consultation focused on the nature, frequency and timing of data collections by HESA to enable us to better achieve our regulatory aims. Our preferred approach was to reduce the number of proposed individualised student data returns from three to two a year. In addition, we proposed structuring those returns so that the amount of data needed shortly after students register is reduced, giving providers more time to collate and assure the quality of some data items. In addition to our preferred approach, we put forward two alternatives to collecting in-year student data.

We sought views on the removal of a small number of data items that providers told us were burdensome to collect and manage, and that we no longer consider it appropriate to collect. In addition, we set out proposals to clarify data quality expectations and proposals to continue to make use of data linking between individualised student data and data from third parties, and explore how this could be further enhanced. We also examined other areas to ensure our requirements remain proportionate. Taken as a package, we considered these proposed changes could make a significant impact on the burden on providers, while retaining the benefits to regulation.

Our consultation closed early in February 2022. We received 150 responses, and following consideration, announced decisions on the approach to collecting in-year individualised data in May 2022.

Participation

All students, from all backgrounds, with the ability and desire to undertake higher education, are supported to access, succeed in, and progress from higher education.

Strategic outcome P1: Access, success and progression are not limited by background and identity, and gaps are significantly reduced.

Strategic outcome P2: All access and participation activity is underpinned by evidence and 'what works'.

This section of the report considers our achievements in access and participation in the 2021-22 financial operating year and draws on key performance measures using lagged data relating to the 2020-21 academic year. However, during this period there were developments in our thinking about how we regulate, and we began reframing our approach to access and participation work. In November 2021 government guidance asked the OfS to challenge providers more strongly to address quality and student outcomes concerns within their access and participation plans, to expand expectations of action by providers on pre-16 attainment through partnership activity with schools, and to increase a focus on higher technical education and on non-traditional pathways and modes of study. This agenda is an addition to, not instead of, a focus on ensuring that entry to higher education becomes more diverse and that attainment for students from underrepresented groups continue to improve.

Access and participation plans

Universities and colleges wishing to charge higher tuition fees must have an access and participation plan (APP) which has been approved the OfS. We had implemented a longer-term,

strategic plan cycle, but the disruption and disproportionate impact of the pandemic on the most disadvantaged students led to some re-negotiation of plans last year with some universities and colleges. We required universities and colleges to maintain the ambition and credibility of their plans while tackling imperatives such as greater calls on hardship funding, increased demand on students' mental health support services and increased local demand including from adult learners. We also asked them to consider the impact of developments in digital teaching and learning, particularly in respect of digital poverty and the needs of disabled students.

The issue of learning loss during lockdowns has been widely acknowledged. Prior to the pandemic there were already stark inequalities in educational attainment in schools and there is much evidence that learning loss during the pandemic disproportionately affected disadvantaged primary and secondary school pupils.¹⁹ There were also disparities at a regional level, with, for example, schools in the North East, Yorkshire and the Humber experiencing more than double the learning loss experienced in the South West and in London during the 2020-21 academic year.²⁰ The widening of educational inequalities strengthens the case for higher education providers to address the attainment gaps arising between the most advantaged and disadvantaged learners at an earlier point in learners' education, through direct work with schools and in strategic partnerships with schools and further education colleges. The aim is for students to have a more cohesive journey through education, through closer collaboration between schools and higher education. To support our new approach, in early April 2022 we published OfS Insight brief #13: Schools, attainment and the role of higher education.²¹ This considered how the work universities and colleges do with schools can help to ameliorate disparities in the attainment of pupils, benefitting not just the pupils who go on to higher education but the institutions themselves, and society in general.

As noted earlier in this report, our consultations on quality and standards reforms reiterated the principle that our work on quality and standards and on equality of opportunity are mutually reinforcing. Our view is that opportunities to study are not meaningful if students from underrepresented groups do not have clear information about low quality courses, or courses that have poor outcomes.

Each year we construct an access and participation data dashboard with the most recently available data, to provide information at provider level of the differences in access and participation across the student lifecycle, as well as sector-level data. In March 2022 this was updated with data from the academic year 2020-21.²² We also published a summary of findings from the data.²³

Our January 2022 consultation on constructing student outcomes and experience indicators for use in OfS regulation proposed that the definitions that resulted from this consultation exercise would be applied to future publications of the OfS access and participation data dashboard, to ensure consistency of the evidence about student outcomes and experiences that inform our regulatory approaches.

¹⁹ See <https://www.gov.uk/government/publications/learning-during-the-pandemic/learning-during-the-pandemic-quantifying-lost-time--2> and <https://epi.org.uk/publications-and-research/epi-research-for-the-department-for-education-on-pupil-learning-loss/>.

²⁰ See <https://www.gov.uk/government/publications/pupils-progress-in-the-2020-to-2021-academic-year-interim-report>.

²¹ See www.officeforstudents.org.uk/publications/schools-attainment-and-the-role-of-higher-education/.

²² See www.officeforstudents.org.uk/data-and-analysis/access-and-participation-data-dashboard/.

²³ See www.officeforstudents.org.uk/data-and-analysis/access-and-participation-data-dashboard/findings-from-the-data/.

We also proposed to extend the scope of the access and participation data dashboard to report measures of completion for the first time, to align with our intention to consider access and participation issues across the student lifecycle. We provided universities and colleges with illustrative data on their student outcomes performance across the range of student and course characteristics.

In spring 2022 we used the current access and participation data dashboard for our own risk-based exercise to monitor providers' progress in meeting the targets set out in their 2020-21 to 2024-25 APPs. To reduce regulatory burden, and in recognition that we are now asking all providers to undertake some additional work, we announced that we would not require universities and colleges that are making sufficient progress against their targets to submit information to us in relation to the 2020-21 academic year.

Early in April 2022, we asked providers to create an accessible executive summary of their current APP and to ensure the full scale of their work on strategic school engagement, quality, and non-traditional pathways is being captured from 2023-24.²⁴ This 'variation process', beginning in the summer of 2022, will allow providers to share both new and changing areas of their work with us.

We intend to continue the approach of longer-term provider strategic plans for access and participation, but we propose, subject to consultation, to bring forward the APP cycle by one year. During the spring and summer of 2022, we will work with higher education providers, schools, students, third sector organisations and other bodies to develop our proposed approach to full implementation of the access and participation reforms from 2023 onwards, including the full renegotiation of all providers' APPs to cover the period from 2024-25 to 2027-28.

Outcomes of monitoring of access and participation for the 2019-20 academic year

Providers were asked to report on the impact of the pandemic on the delivery of both their 2019-20 and 2020-21 academic year access and participation plans, and to set out the steps they took to deliver their commitments.

In summer 2021 we assessed information submitted by over 240 providers. We considered whether they had made reasonable decisions about the delivery of the commitments in their plans in view of pandemic-related disruption, and identified a small number of cases where the evidence did not provide sufficient assurance that the provider was taking all reasonable steps to comply with the provisions of its plan. We wrote to these providers setting out our concerns and our expectations about delivery of their commitments, and continue to review their progress.

Our sector-level monitoring found that:

- In 2019-20, the total amount of £596.9 million that all providers spent in relation to access and financial support for underrepresented students was more than they collectively predicted they would spend.
- In student submissions, students agreed that their providers had broadly delivered on the commitments in their plans, and had made reasonable decisions when responding to the impact of the pandemic. Submissions highlighted how the pandemic had a

²⁴ See www.officeforstudents.org.uk/publications/advice-on-requests-to-vary-access-and-participation-plans-2023-24/.

disproportionate impact on the most disadvantaged students, and caused others to become more vulnerable.

- Expected progress was reported for 60 per cent of targets, but in roughly a fifth of cases no progress was made towards achieving targets. For the success and progression stages of the lifecycle, around 20 per cent of providers anticipated worse outcomes for students for access and success, and 10 per cent predicted worsening performance in respect of continuation of students.

Improving understanding of the student population

Our analytical work and publishing of datasets are critical to our regulation of access and participation across the student lifecycle. The measures and the datasets that we create and update help universities and colleges to understand their own performance in achieving equality of opportunity and allow comparison with others, incentivising change.

Measures of equality of opportunity

Young participation by area

We publish area-based measures of young participation, including our newer measure, Tracking Underrepresentation by Area (TUNDRA) and the legacy measure Participation of Local Areas (POLAR). Using both measures together adds to insights about higher education participation. We also publish all the data that underlies the different measures and the searchable tools.

Associations between characteristics of students

This measure identifies groups of students by how likely they are to access or continue in higher education based on a set of characteristics. Interactive dashboards allow users to examine how a particular characteristic or combination of characteristics affect access to, or student outcomes in, higher education. For example, we know that 90 per cent of the most underrepresented population quintile consists of white students entitled to free school meals or living in low-participation neighbourhoods.

This year we consulted on expanding the coverage of the measure.

Datasets

Access and participation dataset

As official statistics published for all English providers delivering undergraduate provision, we annually update our access and participation dataset consisting of a visual and interactive dashboard of data, supported by accompanying data tables. The dashboard provides a sector-level picture of the differences in access and participation across the student lifecycle, as well as information at individual provider level to support understanding of the progress they are making on equality of student opportunity.

Equality, diversity and student characteristics dataset

As official statistics, our equality, diversity and student characteristics data presents the proportion and numbers of students in higher education by age at entry, disability (broad and detailed), educational disadvantage (POLAR4), ethnicity (broad and detailed), sex, deprivation (Index of Multiple Deprivation quintiles) and eligibility for free school meals at Key Stage 4. This year we added data by gender reassignment, religion or belief, sexual orientation and parental education.

We published five data-driven Insight briefings during the operating year, such as that on care experienced students.²⁵



Consistency needed: Care experienced students and higher education

The brief highlights data on the equality gaps faced by students who have spent time in care, including how they are less likely to continue to a second year or gain a 2:1 or a 1st compared to their peers. It sets out how the OfS intends to improve the monitoring of this student group's outcomes and the sharing of effective practice, and includes case studies of practical support already offered by universities, colleges and Uni Connect partnerships designed to tackle gaps in access and outcomes.

Evidence and evaluating success

We consistently emphasise the importance of evidence and evaluation in understanding the impact of interventions and require providers to explain in their APPs how they monitor and evaluate their access and participation activity.

We support this work through our online effective practice resources for providers, and we invest at sector level to improve the ways in which universities and colleges evaluate their access and participation work through a 'what works' centre, the Centre for Transforming Access and Student Outcomes (TASO). We share our evaluations of OfS funded activity with TASO.

Evaluation of our investment in TASO

An independent mid-term evaluation of our investment in TASO used surveys and interviews with providers, sector bodies and charities to understand the types of evidence being used in relation to access and participation activity, as well as to understand their engagement with TASO. The evaluation, published in July 2021, found that the pandemic had negatively affected the schedule of TASO's activities, leading to the postponement of research. Positive factors noted were that:

- the evidence cycle followed by the centre met the needs of the higher education sector and aligned with the general practice of other 'what works' centres in the UK and beyond
- it covers all the necessary steps to be taken in order to provide useful evidence for the sector, and the priority themes selected by TASO were pertinent

²⁵ See www.officeforstudents.org.uk/publications/consistency-needed-care-experienced-students-and-higher-education/.

- TASO was showing flexibility in its working approach.²⁶

The further development of widening participation theory and practice will be a strong feature of our future work. We wish to expand the evidence base about successful and unsuccessful interventions, through high quality published evaluations, so that we can improve the quality and consistency of the implementation of interventions, and build in improved feedback loops from practitioners to researchers, as part of building an ecosystem of evidence-based practice.

Unlocking potential through the Uni Connect programme

Uni Connect is a national collaborative outreach programme. It brings together 29 partnerships of universities, colleges and other local partners to offer activities, advice and information on the benefits and realities of going to university or college.

Since 2017 partnerships have been working with young learners in the school Years 9 to 13 from groups who are underrepresented in higher education, helping these learners to explore their education and training options and equip them with the information and experiences that can help them to make informed choices about their futures. Last year the partnerships were asked to also work with underrepresented adult learners.

A third phase of Uni Connect activity began in August 2021, and the programme is planned to run until 2024-25, with the key aims of:

- Contributing to reducing the gap in higher education participation between the most and least represented groups.
- Equipping young and adult learners from underrepresented groups to make an informed choice about a full range of routes into and through higher education and to minimise the barriers they may face when choosing the option that will unlock their potential.
- Supporting a strategic local infrastructure of universities, colleges and other partners that can cut through competitive barriers, offer an efficient and low-burden route for schools and colleges to engage, and address outreach higher education 'cold spots' for underrepresented groups.
- Contributing to a stronger evidence base around 'what works' in higher education outreach and strengthening evaluation practice across the higher education sector.

2021-22 was a transitional academic year, during which partnerships developed the new elements of their approach and reviewed existing activity against revised programme aims. Looking beyond 2021-22, we intend to retool Uni Connect to support providers as they develop their school engagement and attainment raising activity, drawing on the collaborative infrastructure already in place.

Uni Connect is evaluated at both national and local level to understand how successfully the programme meets its aims. We use evidence to inform our funding decisions and to refine guidance for partnerships at a local level, and the partnerships draw on evaluation evidence to improve their delivery. How the Uni Connect programme impacts learners is evaluated through a range of elements, including dataset analysis, longitudinal learner tracking, local evaluations and formative evaluation of the programme. In March 2022 we published an independent review of the

²⁶ See www.officeforstudents.org.uk/publications/evaluating-delivery-of-ofs-investment-in-taso-results-of-mid-term-survey/.

impact of evidence submitted by Uni Connect partnerships, including from the fourth call for evidence in August 2021.²⁷ Key findings were that all types of interventions considered in the review help to increase learners' knowledge of higher education, and help to ensure their decisions were better informed. However, evidence of the impact of interventions aiming to develop learners' interpersonal skills and attributes was mixed and inconclusive. Blended approaches (in person and online) to mentoring, and to information, advice and guidance for learners were found to be impactful, and potentially more cost-effective than fully face-to-face approaches.

Measuring progress on equality of opportunity through our KPMs

The questions of who is able to go to university or college and which one they attend are important for individual students and for the higher education sector as a whole. We know that some groups of students are underrepresented in higher education, or do less well if they go to university or college. Reducing these inequalities remains a priority for the OfS, and is reflected in our new strategy for 2022 to 2025.

Following the publication of our new strategy, we are reviewing all our KPMs, including those related to equality of opportunity, and we expect these to change to reflect our refreshed approach to access and participation. While this is the last year these KPMs will appear in this form, it is important we publish our commentary on the current KPMs.

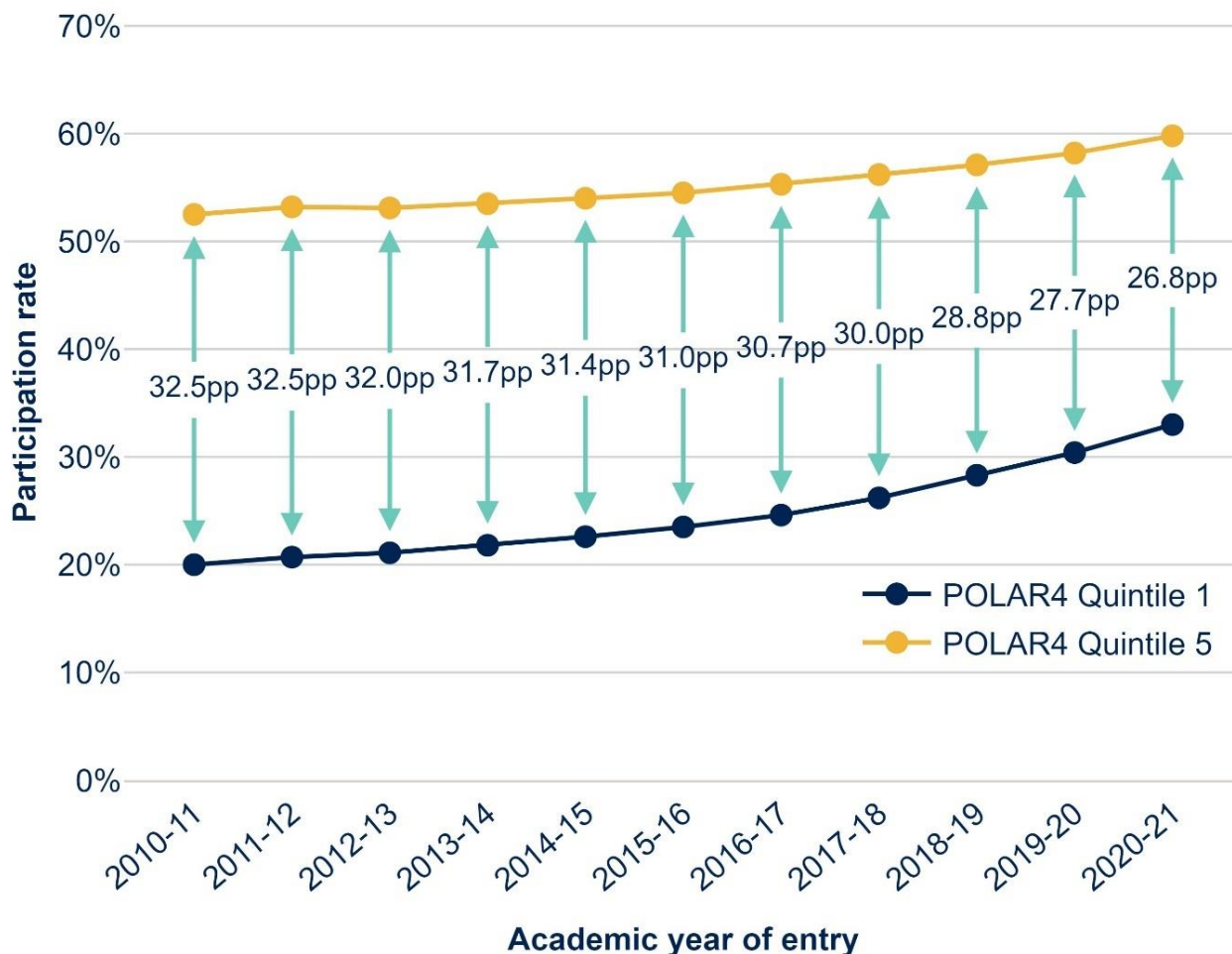
The most recent available data for the participation KPMs is academic year 2020-21, beginning in August 2020. This was the first of two admissions cycles to higher education in which exam results were determined by teacher assessments because of the cancellation of exams. The pandemic affected whether and how prospective students could access information and guidance about higher education, but it was also a year in which more UK-domiciled students were accepted by universities and colleges on courses in England than in the previous years.

KPM 1 shows that in the 2020-21 academic year there was a gap of 26.8 percentage points between the participation of the most and least represented groups.²⁸ This gap has been reducing steadily in recent years, but while relative equality of opportunity between the most and least represented groups has improved, the gap remains large.

²⁷ See www.officeforstudents.org.uk/publications/fourth-independent-review-of-impact-evaluation-evidence-submitted-by-uni-connect-partnerships/.

²⁸ This measure shows the proportion of 18- to 30-year-olds entering higher education based on the area they live in, according to the POLAR classification. POLAR groups areas based on the proportion of 18- and 19-year-olds in each area entering higher education. Detail about the methodology can be found at www.officeforstudents.org.uk/about/asures-of-our-success/participation-performance-measures/gap-in-participation-between-most-and-least-represented-groups/.

KPM 1: Gap in participation between the most and least represented groups



Source: Individual student data (HESA and individualised learner record), POLAR classification of postcodes

Gaps in entry rates at the most selective providers

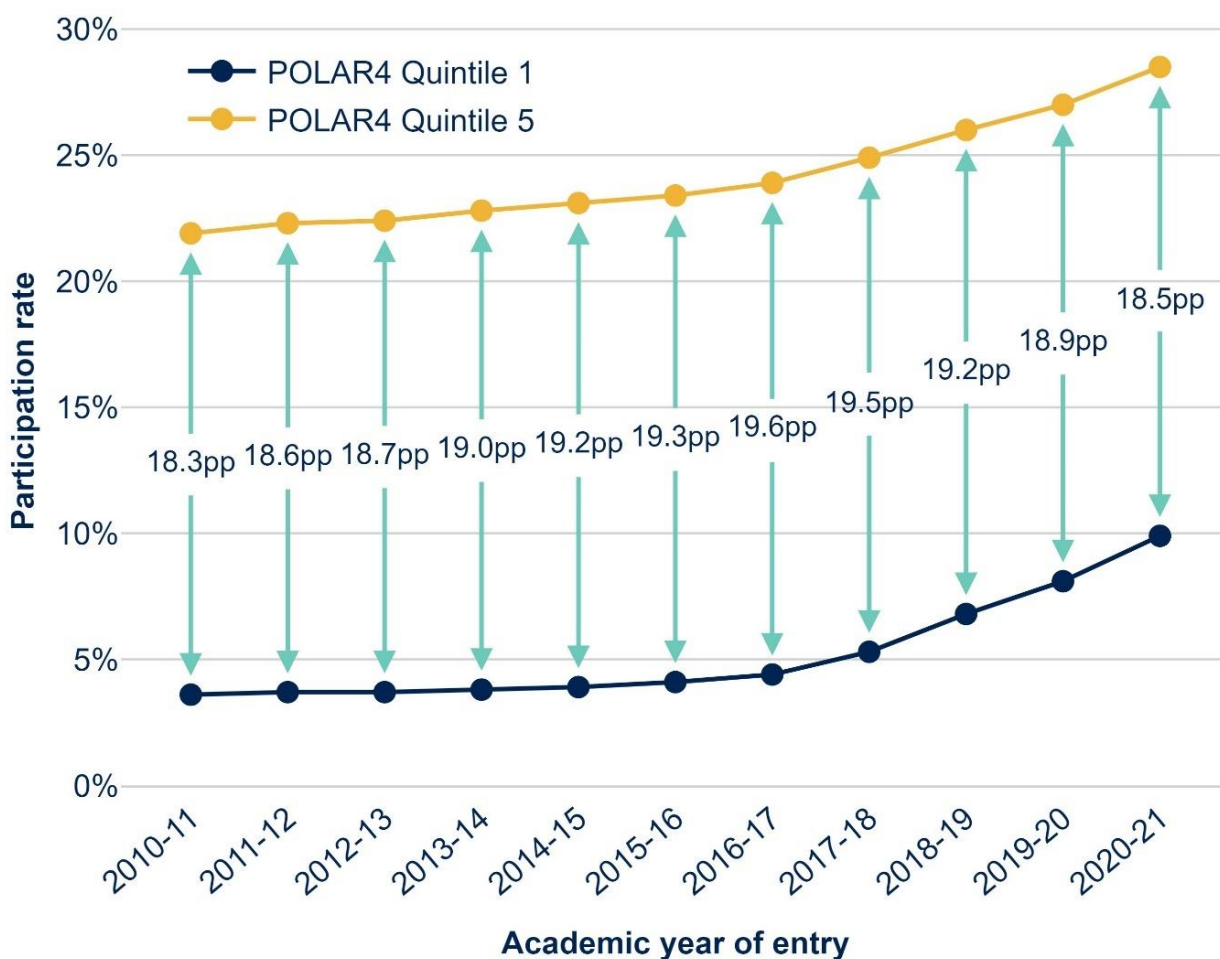
KPM 2 identifies the gaps in entry rates at the most selective providers demanding the highest entry qualifications, between the most and least represented groups of students.²⁹ In academic year 2020-21, the students in the most represented groups were 2.87 times more likely to go to a high-tariff university or college than those in the least represented group (a gap of 18.5 percentage points).

On the basis of our KPM 2 measure, which uses 2020-21 academic year data, the participation gap at higher-tariff providers continued to decline slightly. However, data from the UCAS 2021 cycle suggests that there may be a reversal of progress for the 2021-22 academic year. Among students from those communities most underrepresented in higher education, 6.1 per cent gained places at the most selective universities in 2021. Proportionally this was a 12.7 per cent increase on the rate in 2020, but it was accompanied by a similar increase in the proportion of students entering these universities from the areas with the highest representation. Since the former

²⁹ 'Most selective' refers to high-tariff providers. We group universities into higher, medium and lower tariffs based on the normalised mean tariff score of their intake.

numbers are still small in absolute terms, this means that the increase in headcount was larger among the more advantaged pupils.³⁰

KPM 2: Gap in participation at higher-tariff providers between the most and least represented groups



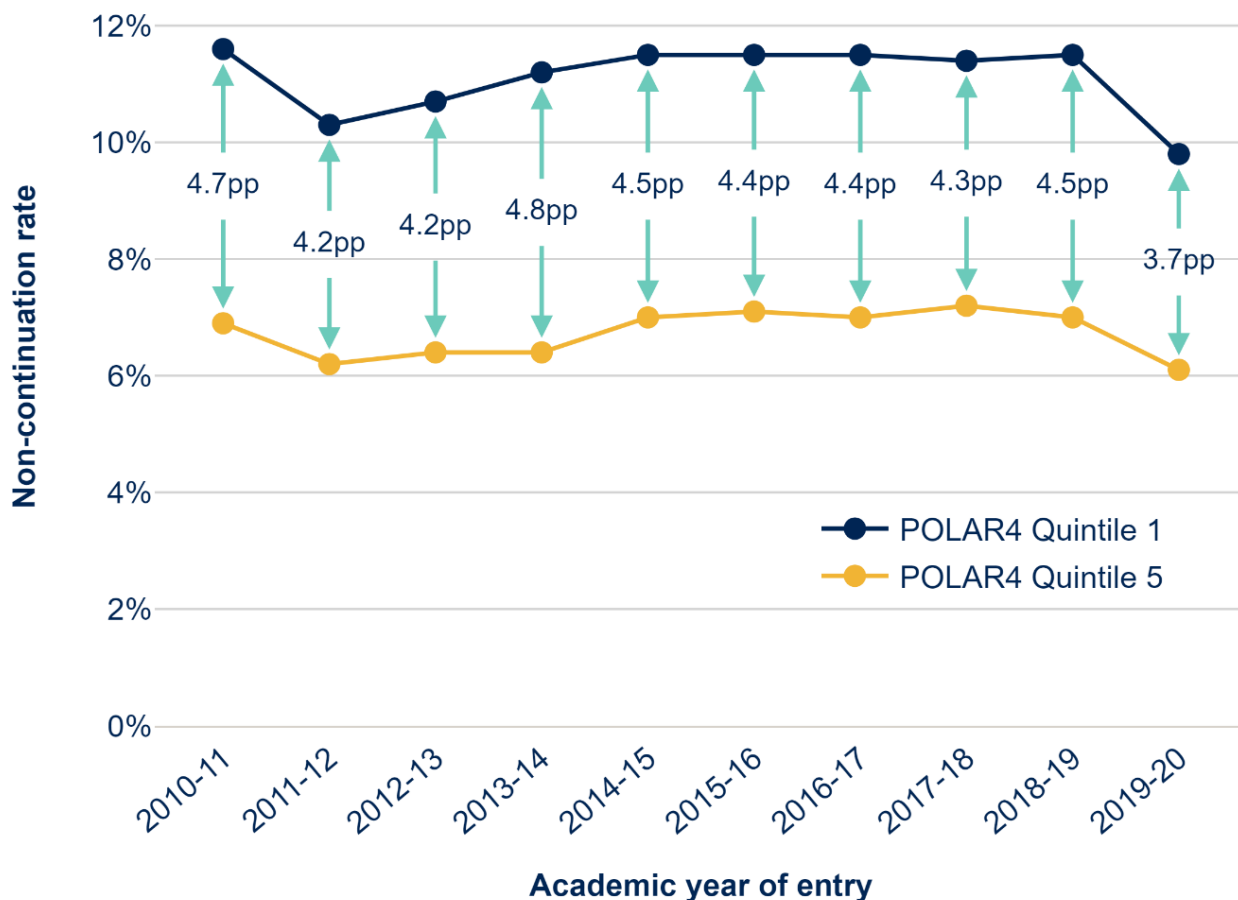
Source: Individual student data (HESA and individualised learner record), POLAR classification of postcodes

The non-continuation of students

Our ambition during the previous strategy period was to eliminate the unexplained gap in non-continuation between most and least represented groups of students by 2024-25, and to eliminate the absolute gap by 2030-31. The most recently available data for whom continuation calculations are possible, used in our KPM 3, relates to the 2019-20 academic year, the most recent for whom continuation calculations are possible. The gap in non-continuation dropped from 4.5 percentage points in 2018-19 to 3.7 percentage points in 2019-20, having changed very little in the preceding nine years.

³⁰ See 'Placed applicants 2021' under 'Applications by POLAR4' at OfS, Young Participation by area. Get the area-based measures data' at www.officeforstudents.org.uk/data-and-analysis/young-participation-by-area/get-the-area-based-measures-data/.

KPM 3: Gap in in non-continuation between most and least represented groups



Source: Individual student data (HESA and individualised learner record), POLAR classification of postcodes

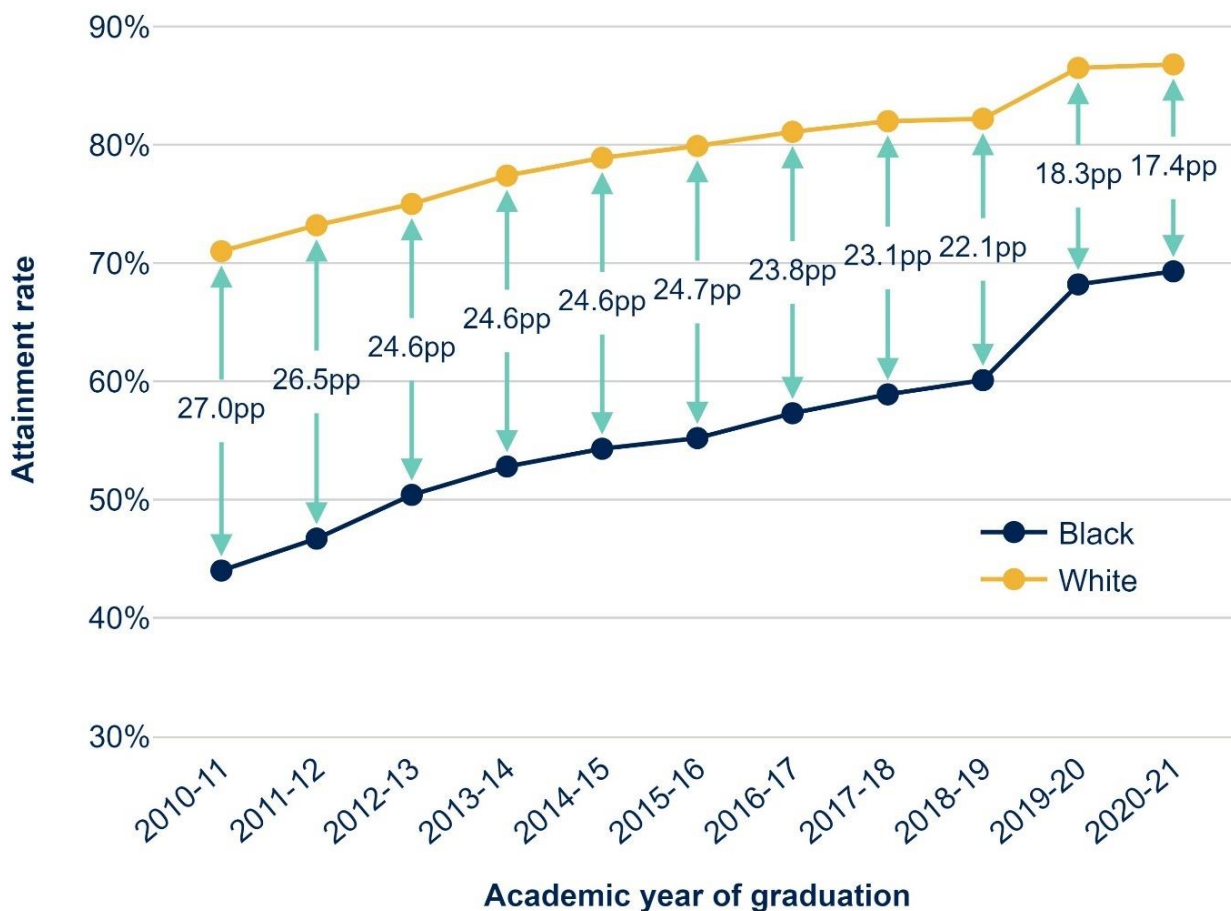
Race and ethnic disparities

Although black, Asian and minority ethnic students have higher rates of participation in higher education than white students, they experience persistent, year-on-year inequalities in relation to their outcomes beyond entry.

Our work here was aimed at eliminating the absolute gap in degree outcomes between white and black students by 2025-26, and to eliminate the unexplained gap by 2030-31. KPM 4 measures the percentage point gap between the proportions of white and black students receiving a 1st or a 2:1 over time. Attainment rates for both white and black students increased between 2019–20 and 2020–21. The greater increase for black students accounted for the slight narrowing of the gap in this measure, but the gap remains large.³¹

³¹ We note that 2020-21 did not see the same widespread use of 'no detriment' or 'safety net' policies as in 2019-20. However, providers continued to make adjustments to assessments, and many students who completed their studies in 2020-21 will have benefitted from no detriment policies in 2019-20.

KPM 4: Gap in degree outcomes (1st or 2:1s) between white students and black students



Source: Individual student data (HESA and individualised learner record). Note: y-axis does not start at 0.

We know also that black students are underrepresented at postgraduate research level and that there is compelling evidence that they face institutional and environmental barriers that impact their ability to succeed in, and progress from, postgraduate research. We continue to discuss equality and diversity concerns with UKRI and Research England, and to consider where collaboration can meaningfully support the postgraduate new deal and the Department for Business, Energy and Industrial Strategy people and culture strategy.³²

Addressing barriers to further study for black, Asian and minority ethnic students

A first or upper second undergraduate degree is usually a prerequisite for entry to postgraduate research study. Last year we worked with Research England and UKRI to identify barriers to further study for black, Asian and minority ethnic students. We launched a joint bidding competition, which invited proposals to improve access and participation for these students into and through postgraduate research. There was an excellent response of 63 bids and a request of £35 million in total.

In November 2021 we announced the successful projects from our joint funding competition with Research England. £7.75 million in funding is going to 13 provider-led projects, which

³² See <https://www.gov.uk/government/publications/research-and-development-rd-people-and-culture-strategy>.

are innovative in scope, scale and focus to an extent that has not been seen in England before.

Delivered over the next four years, they will improve access into research, enhance research culture and the experience for black, Asian and minority ethnic postgraduate research students, and diversify and enhance routes into a range of careers afterwards. The programme is overseen by a steering group, and we have appointed a collaboration led by Kings College London and TASO to evaluate the programme.

OfS funding to improve access and support successful student outcomes

Funding is a core part of our work. It helps us to meet our regulatory outcomes by driving improvements in student access, experience and outcomes. Student premium funding contributes to the aims and objectives set out in providers' access and participation plans.

For the academic year 2021-22, we allocated:

- £40 million for the Uni Connect programme
- £40 million for the disabled students premium
- £67 million for the premium to support successful student outcomes for part-time undergraduates
- £154 million for the premium to support successful student outcomes for full-time undergraduates.

Experience

All students, from all backgrounds, receive a high quality academic experience, and their interests are protected while they study or in the event of provider, campus or course closure.

Strategic outcome E1: Students are able to choose from a diverse range of high quality higher education provision, which is responsive to the preferences and needs of students from all backgrounds and to the shifting national and global environment.

Helping students to make informed choices

We manage Discover Uni, which is the official, authoritative source of information and guidance on higher education in the UK.³³ It is designed to support prospective students in deciding whether, where and what to study. It allows users to search for and compare information and data for individual undergraduate courses across the UK. The data contains information relevant to courses that will run in the 2022-23 academic year in all countries of the UK. We improved the look of our website this year and introduced major improvements in functionality.

³³ Discover Uni is jointly owned by the Office for Students, the Department for the Economy (Northern Ireland), the Higher Education Funding Council for Wales and the Scottish Funding Council.

New features on Discover Uni in response to user feedback



Better search features

Set preference for study mode.
Search by postcode and nation.



Compare more courses

View 7 courses side by side.
Apply personal star ratings.



Even more resources

Guide for international students.
Up-to-date information on covid-19.



Discover
Uni

Gathering students' views through the National Student Survey

Seeking students' views on the quality of their courses helps to:

- inform prospective students' choices
- provide data that supports universities and colleges to improve the student experience
- support public accountability.

Every university and college in England takes part in the NSS. Response rates are consistently high.

We manage the NSS on behalf of the UK funding and regulatory bodies – the Department for the Economy (Northern Ireland), The Scottish Funding Council and the Higher Education Funding Council for Wales.

This year's survey included specific questions about students' experiences during the pandemic, covering a range of issues. Of the 155,190 students in England who responded to questions about the pandemic, fewer than half (47 per cent) said they were content with the delivery of learning and teaching of their courses. However, the majority (78 per cent) said they were able to access the learning resources they needed – such as lecture notes, course materials and virtual learning tools.

Conducted between January and April 2021, when teaching was online for many students, the 2021 NSS found that students were less positive about most things this year than 12 months previously.

- 73 per cent said they could access course-specific resources (equipment, software, facilities), compared with 87 per cent in 2020
- 84 per cent agreed staff were good at explaining things, compared with 88 per cent in 2020
- 76 per cent agreed their course challenged them to achieve their best work, compared with 80 per cent in 2020.

NSS review

In 2020 we began a two-stage process to review the NSS. In phase one of the review, we developed recommendations to address concerns about how the survey may be creating burden and exerting a downward pressure on standards, while ensuring the NSS remains an important indicator of student opinion.

This year, phase two of the NSS review included a pilot survey, which ran alongside the main NSS 2022 survey between January and March 2022 for a sample of students, to test potential changes to the questions of the NSS. We engaged with students, academics and university and college leadership, along with other key stakeholders, to help us to ensure that the questions remain relevant and fit for purpose now and in the future.

The review is exploring:

- Potential changes to the publication of NSS data, including the reporting thresholds, to ensure it meets the needs of users and is easy to understand, and improving the data visualisation and functionality of the NSS dissemination site used by universities, colleges and students' unions to access their data.
- Improved guidance to assist universities, colleges and students' unions on responsible statistical use of the NSS, and increasing awareness of what constitutes inappropriate influence and how to report it.

The results of the pilot survey will inform a UK-wide consultation in summer 2022 on any potential changes to the NSS from January 2023.

Survey of postgraduate taught students

A key source of information about the undergraduate experience is provided by the NSS but there is a lack of comparable published information about the postgraduate taught student experience. We prepared to launch a pilot of the survey in spring 2022 to provide information that would contribute to the public accountability of higher education, help us fulfil our regulatory functions, and provide information to universities and colleges to improve the student experience.

Diverse provision

We publish key performance measures showing diversity of university and college choice within subjects (KPM 8) and diversity of subject choice by region (KPM 9). Our analysis shows that there is greater subject choice in full-time than part-time study options. London has the greatest diversity of subject choice in England.³⁴

³⁴ See www.officeforstudents.org.uk/about/measures-of-our-success/experience-performance-measures/.

Funding of world-leading specialists

To support diverse and high quality provision, since 2018, we have provided additional funding to a subset of 16 specialist higher education providers. The purpose of our funding is to recognise the higher cost and distinctive nature of teaching at (primarily small) specialist higher education providers, and the public value that the providers bring to the sector.

The allocation has been made based on the outcomes of a review undertaken by our predecessor body in 2015-16.³⁵ Providers demonstrating that they met all criteria under the Higher Education Funding Council for England's review were eligible for this funding. In October 2021, we consulted on our proposals for funding world-leading specialist providers, to inform the distribution of:

- Specialist provider funding for academic year 2022-23 and subsequent years, the total budget for which will be decided separately in light of the OfS's funding settlement from government.
- £5 million remaining to be allocated to world-leading specialist providers for academic year 2021-22.³⁶

Responses to the consultation supported the establishment of an expert panel through a nominations process, to determine whether specialist providers meet criteria to be deemed world-leading. Providers made their submissions for assessment of world-leading teaching status by the end of March 2022, and the panel carried out its assessments during April and May 2022.

Capital funding

Capital funding is additional funding provided by the government to support sustainable investment in higher education. It can be used to acquire or maintain fixed assets, such as land, buildings and equipment to enhance the student experience,

At the beginning of the operating year, we consulted on our approach to capital funding for financial year 2021. Following the consultation, we announced a small formula allocation for providers, totalling £7.4 million, and invited bids for distribution of the bulk of the funding available. We received 166 bids, seeking funding totalling £272 million. Given the volume of high quality proposals received, we set a maximum cap to £2 million for successful bidders. In doing so, we sought to ensure that we were able to offer an overall package of support across a broad group of providers that we considered best met the priorities for the funding allocation. In total, we funded 100 bids, of which 44 providers received the maximum allocation of £2 million. The total distributed through the competition in this operating year was £128 million.³⁷

Strategic outcome E2: Students have a positive experience of higher education and are highly satisfied with the quality of teaching, learning, wider experience and outcomes.

³⁵ See

<https://webarchive.nationalarchives.gov.uk/ukgwa/20170110155430/http://www.hefce.ac.uk/lt/howfund/institution/>.

³⁶ See www.officeforstudents.org.uk/publications/consultation-on-an-approach-to-world-leading-specialist-provider-funding/.

³⁷ See www.officeforstudents.org.uk/news-blog-and-events/press-and-media/ofs-announces-the-allocation-of-135-million-of-capital-funding/.

Strategic outcome E3: Students' knowledge and skills are improved during their higher education experience.

We want all students, regardless of their background, to have a positive experience of higher education. As noted in the 'Participation' section of this report, we publish analysis of variations in the experiences of groups of higher education students based on NSS data, and highlight disparities to universities and colleges to help them to reflect on reasons for differences in outcomes and student satisfaction.

Mental health and wellbeing among students

There have been longstanding concerns about the wellbeing of students, and we know that the incidence of students with mental health issues was worsened by the pandemic.

A poll in October 2021 found that 73 per cent of students said that the pandemic had a very or somewhat negative impact on their mental health, and 57 per cent said that the pandemic had a negative impact on the acquisition of knowledge they needed to succeed on their course.³⁸

While universities and colleges are responsible for their own mental health policies, procedures, and services, the OfS has a role in incentivising providers to find solutions to support students better. This section focuses on our work to address poor mental health among students over the last year.

In the academic year 2021-22, we allocated £12 million in formula funding to providers across the sector to support students' transition into higher education. Providers use this funding to address challenges to mental health for those students at the beginning of their undergraduate studies, providing supportive and preventative measures that help to maintain good mental health and prevent more serious problems arising.

Mental Health Challenge Competition

Through the Mental Health Challenge Competition in 2019, we awarded funding to 10 projects to generate new approaches to improve mental health outcomes for students. These projects are due to be completed by summer 2022. An interim evaluation report, published in August 2021, demonstrated the effectiveness of the programmes in promoting:

- **Early intervention** – 157 staff and 623 students had been trained and involved in activities improving awareness of services and peer support.
- **Support** – As of August 2021, 3,703 students had been directly supported by the programmes, many via new services at their provider.
- **Transitions** – The evaluation found evidence of improved collaboration between higher education providers and other organisations providing student mental health support. This should smooth transitions for students between their provider and community support services.

³⁸ See <https://upp-foundation.org/student-futures-commission/news/a-student-futures-manifesto/>.

This year we ran a second mental health competition, securing funding from the Department for Health and Social Care (£1 million) and DfE (£2 million), and announced funding of £3 million to 18 projects until June 2023 to pilot innovative and intersectional approaches to targeting student mental health support.³⁹ There was also £3 million in co-investment from universities, colleges and partner organisations.

Through this work we are bringing together providers and other stakeholders to initiate effective and innovative practice to support students with characteristics identified as increasing the risk of poor mental health, and students who may experience barriers to accessing support because of their mode of study (for example, part-time or on placements), or because they have particular characteristics.

We also continued to fund and support Student Space, an online resource aimed at addressing the new or exacerbated challenges experienced by some students in response to the pandemic, and filling gaps in support or provision that were also impacted by reduced availability of normal university, college, or NHS support services. The service, run by the charity Student Minds, provides dedicated psychoeducational material, support services and information to students about the support available at their university. Following a government commitment to provide additional funding, we were able to announce a further £600,000 to extend the programme in England until the end of the 2021-22 academic year. We sought a supplier to evaluate this third phase of the Student Space programme, and also commissioned an evaluation of the existing evidence of what is working to support student mental health in the English higher education sector.

Suicide prevention remains a priority for universities and colleges and for the OfS. In September 2021 we published a briefing exploring the issue, based on the advice from the Suicide Safer Universities guidance, bringing together a range of resources, and presenting examples from providers detailing how they have developed their approaches to suicide prevention.⁴⁰

Addressing harassment and sexual misconduct

In April 2021 we published our statement of expectations for preventing and addressing harassment and sexual misconduct affecting students in higher education, which provides a set of expectations for higher education providers in England to develop and implement effective systems, policies and processes to prevent and respond to incidents of harassment and sexual misconduct.⁴¹ Underpinning this framework is the principle that all higher education students registered at a provider, however and wherever they may be studying, should be protected from harassment and sexual misconduct from other students, staff and visitors.

We are examining how universities and colleges have responded to this over the academic year 2021-22, including commissioning an external evaluation on the impact of the statement of

³⁹ See www.officeforstudents.org.uk/advice-and-guidance/funding-for-providers/mental-health-funding-competition-using-innovation-and-intersectional-approaches/.

⁴⁰ See www.officeforstudents.org.uk/advice-and-guidance/promoting-equal-opportunities/effective-practice/suicide-prevention/.

⁴¹ See www.officeforstudents.org.uk/advice-and-guidance/student-wellbeing-and-protection/prevent-and-address-harassment-and-sexual-misconduct/statement-of-expectations/.

expectations on provider behaviour and student experience. The evaluation will employ a mix of quantitative and qualitative approaches, drawing on relevant existing data sources, conducting primary research with carefully selected stratified samples of higher education providers and with students and their representatives, and engaging more broadly with multiple sector stakeholders. Our priority is to understand how providers have responded to the statement by reforming their systems, policies and procedures, and to understand from students and their representatives whether their experience has improved, and they have confidence that their provider will take reports of harassment and sexual misconduct seriously. The evaluation is scheduled to be published in autumn 2022, at which point we will consider options for next steps, including whether we should connect the statement directly to our conditions of registration.

We also continue to work closely with stakeholders in this area, including the DfE, Universities UK, victim-survivor groups and others. For example, we published a briefing note on the intersection of sexual violence, alcohol and drugs at universities in colleges, in collaboration with the UK Healthy Universities Network and Universities UK, following a joint event in July 2021.⁴² We joined a ministerial roundtable to discuss the prevention of non-disclosure agreements by universities and colleges in sexual harassment cases.⁴³

Antisemitism

Responding to guidance from the former Secretary of State, in November 2021 we drew up a list of OfS-registered higher education providers that have adopted the International Holocaust Remembrance Alliance working definition of antisemitism, having validated our understanding by contact with providers.⁴⁴ The list was published alongside case studies and resources to support providers in tackling antisemitism. In January 2022 we joined a summit convened by the Minister and the Secretary of State on antisemitism in the sector, and drew attention to the fact that our statement of expectations extends to antisemitic harassment.

Supporting disabled students

The proportion of students who disclose themselves as disabled or as having a mental health condition is rising. More than one in seven students studying in England in academic year 2019-20 declared at least one disability.⁴⁵

Before the pandemic, there were clear attainment and outcome gaps between disabled and non-disabled students; students reporting a disability have lower degree results overall and lower rates of employment after graduation than non-disabled students. The attainment rate for students with a reported disability was consistently lower than that for students without a reported disability. Our KPM 7 shows that over a five-year time series this gap between the proportion of disabled and

⁴² See www.officeforstudents.org.uk/media/52171396-39cd-420c-b094-9aa7246d7278/the-intersection-of-sexual-violence-alcohol-and-drugs-at-universities-and-colleges.pdf [PDF].

⁴³ See <https://www.gov.uk/government/news/universities-pledge-to-end-use-of-non-disclosure-agreements>.

⁴⁴ See www.officeforstudents.org.uk/advice-and-guidance/student-wellbeing-and-protection/prevent-and-address-harassment-and-sexual-misconduct/tackling-antisemitism/ and <https://www.holocaustremembrance.com/>.

⁴⁵ See www.officeforstudents.org.uk/data-and-analysis/equality-diversity-and-student-characteristics-data/official-statistics/.

non-disabled students getting a 1st or 2:1 more than halved, from 3.0 percentage points in 2016-17 to 1.1 percentage points in 2020–21.⁴⁶

Evidence suggests that a whole provider approach is critical to the delivery of successful outcomes and experiences for disabled students. Providers can adopt a social model of disability by building such practices into their structure and operations. This means that fewer individual reasonable adjustments will be needed over time, and where adjustments are needed, providers can be much more responsive to individual needs. Through the provision of the Disabled Students Premium funding of £40 million in each academic year, we continue to support providers to adopt a social model of disability, across the breadth of the definition of disability under the Equality Act.⁴⁷ We are also working closely with government on the ways of supporting disabled students through the LLE and the piloting of adjustment ‘passports’ to help disabled graduates get into employment.

The Disabled Students Commission

The Disabled Students Commission (DSC) is an independent group of experts committed to bringing about positive change for disabled students. It is tasked to advise, inform and challenge the English higher education sector to improve models of support for disabled students, and to identify and promote effective practice that helps students with disabilities have a positive and successful experience at university. In the last year the DSC published a series of guidance publications and research on the experiences of students, and we continue to work with the commission to understand the longer-term impacts of the pandemic on disabled students, and to challenge ourselves and the sector to respond to this challenge.⁴⁸

Response to the DSC’s ‘Three months to make a difference’ report

In monitoring access and participation plan outcomes for the 2019-20 academic year, which included the early months of the pandemic, we invited universities and colleges to respond in their monitoring reports to the seven recommendations from the DSC’s ‘Three months to make a difference’ report.⁴⁹

Student submissions to the OfS included positive accounts of disabled students’ experiences during the pandemic, such as those who benefitted from subtitles in lectures and additional communication formats, such as typing messages during lectures. However, some students found the move to virtual learning and support a challenge, and felt that accessibility was not always being considered from the outset, which impacted their wellbeing. Furthermore, qualitative research for the Disabled Students Commission into the impact of its

⁴⁶ 2020-21 did not see the same widespread use of ‘no detriment’ or ‘safety net’ policies as in 2019-20. However, providers continued to make adjustments to assessments, and many students who completed their studies in 2020-21 will have benefitted from no detriment policies in 2019-20.

⁴⁷ The social model of disability is widely accepted as the most appropriate way to approach support for disabled students. A social response to disability is about restructuring environments and attitudes around disability. Under the Equality Act 2010, a person has a disability if they ‘have a physical or mental impairment, and the impairment has a substantial and long-term adverse effect on [their] ability to carry out normal day-to-day activities’.

⁴⁸ See <https://www.advance-he.ac.uk/equality-diversity-inclusion/disability-equality-higher-education/disabled-students-commission>.

⁴⁹ See <https://www.advance-he.ac.uk/knowledge-hub/three-months-make-difference>.

recommendations found that despite aspects of good practice, barriers and challenges faced by disabled students continue to be widespread and endemic.⁵⁰

International students

In 2017-18, approximately 378,000 international students registered on courses at English higher education providers. International students comprise around 20 per cent of the student population in England. 6 per cent come from EU countries and 14 per cent from outside the EU. International students form a larger proportion of the postgraduate student population than at undergraduate level.

There has been a striking growth in international student numbers in England since the turn of the century, attracted by the strong reputation enjoyed by UK higher education. In addition to the economic benefit they bring, these students' presence can further enhance the academic culture and the exchange of ideas. They also can bring added skills as graduates to the UK's economy. But in return for such benefits, it is important that they have a high quality academic experience, with the right support to ensure that they are fully integrated into their university and the wider community, with the sense of belonging that this brings. The importance of such support was particularly highlighted during the pandemic.

At present the information we have about international students' experiences and needs is incomplete, and we need to improve our understanding to allow us more effectively to meet international students' needs. To this end, in March 2022, the OfS, in partnership with the UK Council for International Student Affairs and the DfE, launched a call for evidence to identify what works in supporting the integration and wellbeing of international students.

We are particularly interested in:

- work to ensure the accessibility and effectiveness of wellbeing and support services
- how responding to the coronavirus pandemic has shaped practice in supporting international students adapt and integrate to UK higher education
- work to prevent and address harassment and sexual misconduct.

Outcomes

All students, from all backgrounds, are able to progress into employment, further study, and fulfilling lives, and their qualifications hold their value over time.

Strategic outcome O1: Graduates and postgraduates leave with knowledge and skills that will contribute to their national and local economies, and drive productivity.

⁵⁰ See <https://www.advance-he.ac.uk/knowledge-hub/exploring-impact-covid-19-disabled-students-experiences-depth-qualitative-report>.

Strategic outcome O2: Students' lives are improved and enriched by their time in higher education.

Geography, employment and unemployment

People with degrees on average have higher salaries, greater job security and less likelihood of unemployment, and for the graduate population as a whole during the pandemic these benefits largely held up.⁵¹ For new graduates, employment prospects were more uncertain and this is likely to have resulted in a higher take-up of further study by graduates. (The number of UK-domiciled postgraduate taught entrants in academic year 2020-21 at English universities and colleges was 213,740 compared with 172,585 in 2019-20.⁵²)

We know that not everyone has had an equal chance of getting a graduate job or going onto further study. Graduate jobs remain most prevalent in London and the South East, and there is also much local variation in job markets.

Our publication of experimental data in May 2021 on Projected completion and employment from entrant data (Proceed) found substantial differences between universities, in different subjects, and in different subjects at individual universities.⁵³ The data identifies 22 universities and colleges where it projects that over 75 per cent of entrants will go on to find professional employment or further study shortly after graduation. It also finds that at 25 universities and colleges, less than half of students beginning a degree can expect to finish that degree and find professional employment or within 15 months of graduation.

OfS Insight brief #11, 'Place matters: Inequality, employment and the role of higher education', looked at the link between geographical disparities, access to and outcomes from higher education affecting students and graduates in England, and examined the work the OfS, universities and colleges are doing and could potentially do to address such disparities.⁵⁴

We also updated our geography of employment and earnings data, which reflects differences across the UK.⁵⁵ The report presents a method developed by the OfS for grouping areas, based on measures of local graduate opportunity. We analysed differences in employment outcomes by the characteristics of age, sex, disability, ethnicity and educational disadvantage, and took these factors into account in developing our approach to the TEF and to our proposals for the revised condition B3.⁵⁶

⁵¹ See <https://explore-education-statistics.service.gov.uk/find-statistics/graduate-labour-markets/2020>.

⁵² See <https://www.hesa.ac.uk/data-and-analysis/sb262/figure-3>.

⁵³ See www.officeforstudents.org.uk/publications/proceed-updated-methodology-and-results/.

⁵⁴ See www.officeforstudents.org.uk/publications/place-matters-inequality-employment-and-the-role-of-higher-education/.

⁵⁵ See www.officeforstudents.org.uk/publications/a-geography-of-employment-and-earnings/.

⁵⁶ See www.officeforstudents.org.uk/data-and-analysis/differences-in-student-outcomes/.

Skills and lifelong learning

Over the last 15 years, there has been a gradual narrowing of options and opportunities for mature students. Part-time study – especially that with under 50 per cent intensity – has been hollowed out and digital and online courses have yet to fill the gap.

This year we published OfS Insight brief #9, 'Improving opportunity and choice for mature students', which examined mature student participation in anticipation of the introduction of the LLE, introduced in the Skills for Jobs white paper.⁵⁷ The Skills and Post-16 Education Bill facilitates the provision of loans for both adult training and higher education courses beyond Level 4 on an equal footing, with greater access to modular provision so that adults can update their skills flexibly and return to learning when it suits them. In February 2022 the government consulted on the policy concept of an LLE to provide individuals with the equivalent of four years of post-18 education to use over their lifetime, aiming to reverse the trend of narrowed options.⁵⁸ We continue to work closely with the DfE and other partners over the next three years to deliver a successful LLE in practice.

We are already working to facilitate more choice, opportunity, and flexibility across the sector. Through the access and participation plans, we require providers to consider how they support mature students throughout the student lifecycle and set out how they intend to address gaps in performance where they find them. We have been developing our outreach and access initiatives to target mature students. Online information, advice, and guidance resources such as Discover Uni offer practical advice and support tailored towards prospective mature students, and we have asked Uni Connect partnerships to work with employers and communities to support mature student participation.

As part of the route to LLE delivery, the DfE is piloting access to student finance for higher education short courses from academic year 2022-23, and has asked the OfS to manage a funding competition to develop new, short higher education courses at Levels 4 to 6 to test student and employer demand for courses to address employers' skill needs.⁵⁹ The trial will also allow the OfS to understand how the current regulatory system works for this type of course, and provide insights into how we may need to adapt our approach. Up to £2 million was made available to 22 projects to develop short courses, to test supply and demand for flexible modular courses that would be eligible for the new LLE. Providers were encouraged to work with each other on proposals where these are in the same local area or working with the same sectors.

Funding of £1,976,000 for successful providers began in December 2021, to be spent by March 2022. Short courses supported through funding included those in advanced data-driven skills, higher level creative technical skills, agile software engineering, healthcare and professional skills, and decarbonisation in the built environment. The developed courses will begin from September 2022.

Student transfers

Each year a fairly low proportion of students end their course at one provider and subsequently return to higher education at another. We refer to this as 'student transfer'. We have a legal duty to

⁵⁷ See www.officeforstudents.org.uk/publications/improving-opportunity-and-choice-for-mature-students/ and <https://www.gov.uk/government/publications/skills-for-jobs-lifelong-learning-for-opportunity-and-growth>.

⁵⁸ See <https://www.gov.uk/government/consultations/lifelong-loan-entitlement>.

⁵⁹ See <https://www.gov.uk/what-different-qualification-levels-mean/list-of-qualification-levels>.

monitor student transfers, and condition F2 of the regulatory framework requires all registered providers to publish information about their student transfer arrangements.

Understanding and tracking levels of transfer activity across the sector is important in the context of the government's proposals for the LLE, since greater credit recognition and transfer between providers will be an essential aspect of the scheme.

In November 2021 we published an update to our experimental statistics on student transfer, adding data for entrants in the 2018-19 academic year to the analysis.⁶⁰ The conclusions from the report are that more students transferred without credit, both within the same provider and to a different provider, than took credit with them that enabled them to bypass the first year. Compared with 2017-18, there was a small increase in the proportion of 2018-19 entrants who had to restart their course rather than continuing (4.4 per cent rather than 4.1 per cent). The analysis highlights that traditionally underrepresented and disadvantaged groups are more likely to restart a course at their original provider than their better represented counterparts.

Artificial intelligence and data science

In addition to our work to support local graduates, we are funding 28 universities to develop and deliver postgraduate conversion course projects to allow people with degrees outside the areas of science, technology, engineering and maths to retrain in artificial intelligence (AI). The programme is well on its way to delivering 2,500 new AI specialists into the labour market by 2023, despite being developed during the pandemic.

To address a lack of diversity, we also provided funding for universities to offer scholarships for graduates from groups underrepresented in the workforce. Findings from the independent evaluation of the programme show a high proportion of enrolments on the conversion courses from women, black and disabled students, all of whom are underrepresented in the sector.⁶¹ Based on the impact of the programme, the government announced funding for an additional 2,000 AI and data science conversion courses scholarships, to be delivered from 2023 to 2025. The second phase of AI scholarships, which we are now developing in partnership with the Department for Digital, Culture, Media and Sport (DCMS) and the Office for Artificial Intelligence, will continue ensuring the benefits of AI are shared with all people, regions and sectors of society.⁶²

Data skills pilot funding

In response to commitments set out in the National Data Strategy, the DCMS extended the scope of the postgraduate conversion course programme to test the methods of teaching in existing provision of foundational data skills to undergraduates whose subject does not contain significant data science elements.⁶³ In October 2021, in partnership with the DCMS, we announced £294,000 funding to March 2022 for seven pilot projects, to focus on provision of foundational data skills. The scope of the externally commissioned evaluation of the postgraduate conversion course work was extended to evaluate the outcomes from these pilot projects, and the evaluators will also consider

⁶⁰ See www.officeforstudents.org.uk/publications/student-transfers/.

⁶¹ See www.officeforstudents.org.uk/news-blog-and-events/press-and-media/new-analysis-shows-big-boost-in-numbers-of-women-enrolling-on-ai-and-data-science-courses/.

⁶² See <https://www.gov.uk/government/news/23-million-to-boost-skills-and-diversity-in-ai-jobs>.

⁶³ See <https://www.gov.uk/government/publications/uk-national-data-strategy/national-data-strategy>.

how providers beyond the programme, and the UK, are embedding these skills for undergraduates. Initial findings from the evaluation are expected in spring 2022.⁶⁴

The health workforce

A March 2021 consultation on the funding of courses such as science, engineering, medicine, dentistry, nursing and midwifery resulted in a number of changes to our funding method. We made increases to the 2021-22 intake targets in medicine and dentistry during May 2021, and again in August 2021, to account for the unexpected changes to recruitment patterns over the last year due to the impact of the pandemic. We worked closely with providers with medical and dental schools, as well as other government bodies and regulators, to ensure that the medical and dental targets we set for the 2021-22 academic year would not disadvantage students.

In addition to the increases to intake targets, we also worked closely with providers and government bodies to ensure that any students who agreed to transfer between medical or dental schools (because places at their preferred medical school were oversubscribed) under the 2021-22 incentivised transfer scheme, received the funding they were due in a timely manner.

Strategic interventions in health education

We continue to see benefits from the investment in strategic interventions in health education disciplines that began in 2018. This programme aimed to increase the understanding of, and demand for, higher education courses in the small specialist and vulnerable allied health disciplines of therapeutic radiography, podiatry, orthoptics, prosthetics and orthotics, where applications had been falling. It funded digital approaches to respond to the challenges of the pandemic, outreach events, and projects to apply innovative approaches to the recruitment and retention of students, such as work on the male applicant journey.

An evaluation showed a number of positive outcomes, such as the bringing together of stakeholders (including the OfS, Health Education England, professional bodies and course providers) to develop and improve a recruitment campaign to make the professions more visible. The majority of course leaders (nine) for the small and specialist professions considered their course to be less vulnerable in 2021 than in 2018. During the period there was also expansion of provision at foundation and postgraduation level.

This year we funded a legacy programme. Its main activities were capturing learning, sharing resources, continuing the marketing and communications campaign, and disseminating Challenge Fund materials and reports. An evaluation of the legacy of the programme found that the 2021 level of applications has not been sustained in 2022 (based on the UCAS January 2022 application deadline), but activities have continued which offer promising potential for supporting recruitment (and retention) to the four small specialist subjects. The outcomes of these and other programme activities have not yet fully emerged.⁶⁵

Knowledge exchange

Knowledge exchange is a process that brings together academic staff, users of research and wider groups and communities, to exchange ideas, evidence and expertise.

⁶⁴ See www.officeforstudents.org.uk/publications/evaluation-of-national-data-skills-pilots-interim-briefing-report/.

⁶⁵ See www.officeforstudents.org.uk/publications/evaluation-of-the-sihed-programme-legacy-report/.

While knowledge exchange is often considered part of a university's research activity, it also includes a broad range of activities that share higher education knowledge and skills with those outside universities, such as partnerships between universities and major manufacturers, industry-related curriculum development, work placements for students, and graduate start-ups supported by incubator spaces at providers.

The key funding mechanism for supporting knowledge exchange activity is the Higher Education Innovation Fund (HEIF).⁶⁶ We work closely with Research England. Our work includes:

- Determining HEIF allocations for the 2022-23 academic year. Recurrent funding for knowledge exchange is administered through Research England. Most of the funding is provided by the Department for Business, Energy and Industrial Strategy directly to UKRI, but it also includes £47 million from the OfS teaching grant budget for the 2021-22 academic year. We agree the allocation method and monitoring arrangements for this OfS element with Research England.
- Continuing to deliver a joint funding programme with Research England to gather evidence on the benefits to students and graduates of participating in knowledge exchange activities. The programme, which consists of 20 individual projects, is gathering examples of good practice to share across the sector and helping us to optimise the use of HEIF.⁶⁷ Interim evaluation findings suggest a range of positive outcomes, including that student engagement improved students' skills, strengthened their networks, increased their employability, and strengthened relationships between higher education providers and partner organisations and businesses.⁶⁸ The final evaluation report on the programme will be published in spring 2023.
- Ongoing work with Research England to deliver reforms to HEIF and the Higher Education Business and Community Interaction survey, to ensure that student participation in knowledge exchange is measurable.

The relationship between higher education and wellbeing

Our KPM 17 compares graduates 15 months after graduation with the general population (including graduates) of all ages, using the Office for National Statistics questions on personal wellbeing, which ask people to respond to questions on a scale from 0 to 10, including 'Overall, how satisfied are you with your life nowadays?' and 'Overall, to what extent do you feel the things you do in your life are worthwhile?'

The KPM seeks to capture benefits of higher education that are not solely concentrated in greater employability or academic progress. Respondents are split into four graduate groups, based on the mode and level of their previous study.

A lower proportion of graduates who studied full-time score very highly for both of the questions than for those studying part-time, at both undergraduate and postgraduate level.

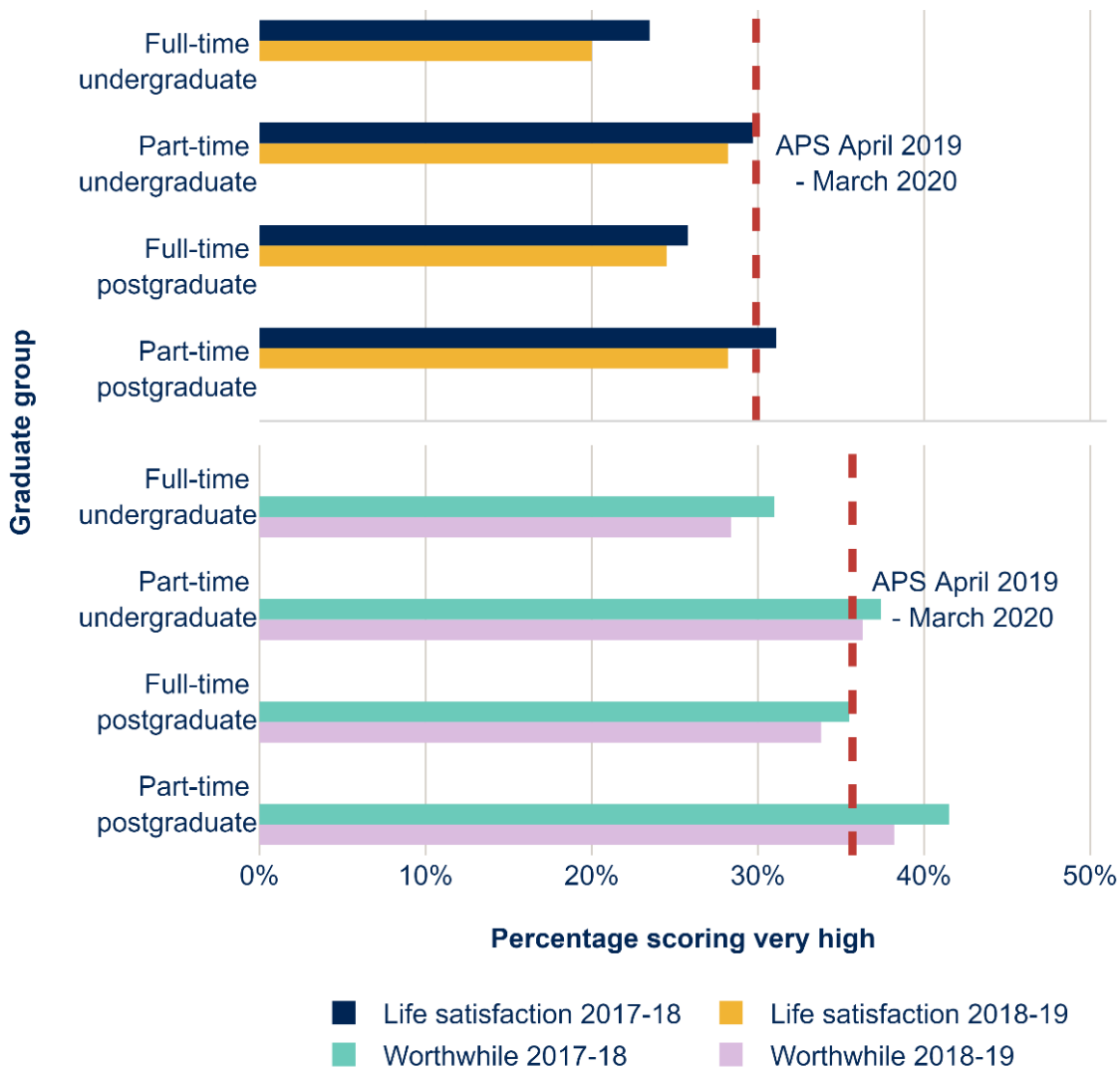
⁶⁶ See <https://www.ukri.org/our-work/browse-our-areas-of-investment-and-support/higher-education-innovation-fund/>.

⁶⁷ See <https://www.ukri.org/councils/research-england/our-funds-for-research-and-knowledge-exchange/the-higher-education-business-and-community-interaction-survey/>.

⁶⁸ See www.officeforstudents.org.uk/publications/evaluation-of-student-engagement-in-knowledge-exchange-programme/.

Additionally for life satisfaction, graduates who studied full-time were less likely to score very high than the general population, as reported in the Office for National Statistics questions on personal wellbeing in its Annual Population Survey, which surveys UK residents aged 16-years-and-over and will therefore include both graduates and non-graduates. (The Annual Population Survey outcomes for the same questions are shown by the red dotted line).

KPM 17: Graduate wellbeing



For responses by mode of study (that is, whether studying full-time or part-time), the life stage of younger graduates may be relevant to understanding these findings, as in general, older graduates were more likely to score highly for life satisfaction and on happiness than younger graduates.

It is also notable that life satisfaction scores were lower for those who had graduated in 2018-19 when surveyed 15 months after graduation, compared with those who had graduated in 2017-18. While all respondents had graduated before the pandemic, it is reasonable to assume that the responses of the 2018-19 graduates responding to the survey during the pandemic may have been impacted by their recent experiences.

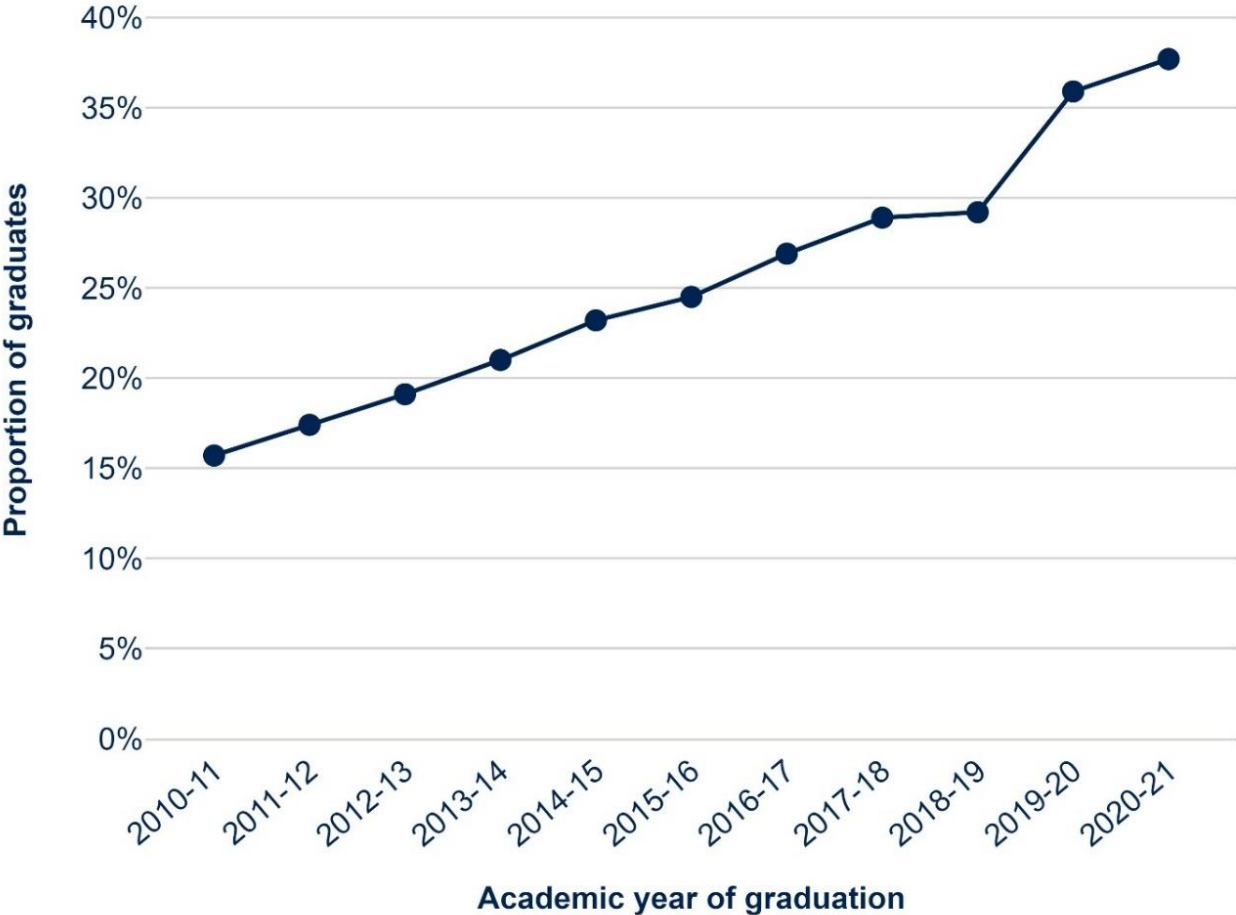
Strategic outcome O3: Qualifications hold their value over time and students are able to use them long after leaving higher education

Degree classifications

Our March 2022 publication of KPM 18, relating to trends in degree classification attainment, shows that the proportion of UK-domiciled full-time first-degree graduates attaining a first class degree from providers registered in England increased by 6.6 per cent between 2018-19 and 2019-20. The proportion increased by a further 1.8 per cent between 2019-20 and 2020-21.

As a regulator we are concerned to ensure that the assessment of students is rigorous, and that the awards and qualifications granted to students are credible and hold their value over time. Assessments and awards are integral to our renewed approach to regulating quality.

KPM 18: Students achieving first-class degrees



Source: Individual student data (HESA and Individualised learner record)

In recent years the proportion of students attaining 1sts and 2:1s has increased significantly, and there is understandable public concern about the reliability of degree classifications over time. Before the pandemic, our analysis suggested that unexplained grade inflation at universities and colleges had begun to slow. However, as a result of the pandemic, a number of providers made changes to assessment and classification arrangements to ensure students were not disadvantaged by its impact in 2019-20, and to a lesser extent in 2020-21. Providers did not adopt a single approach, so the impact of these changes will have varied from provider to provider. It is not possible to determine the extent to which these actions by providers may have influenced the

large increase in the size of KPM 18 between 2018-19 and 2019-20, and the further increase in 2020-21.

It is essential we regain and maintain public confidence in the reliability of degree classifications, ensuring the maintenance of the rigorous assessment associated with a world-renowned higher education system. We intend to continue to develop our approach to the analysis of data relating to student attainment and to publish information on this over time. We will also use this data as part of our broader approach to monitoring, to identify providers for which further investigation may be warranted to determine whether there is an increased risk of, or an actual, breach of, condition B4.

Value for money

All students, from all backgrounds, receive value for money.

Strategic outcome V1: Higher education delivers value for students, graduates, taxpayers and employers, especially in the form of positive student outcomes

The Higher Education and Research Act 2017 requires the OfS to have regard to the need to promote value for money in the provision of higher education by English higher education providers. Ensuring value for money – for students, taxpayers and the economy – underpins our work to improve access and participation, to ensure a high quality student experience, and achieve successful student outcomes. The act also requires the OfS to have regard to the need to deliver value for money itself, by using its resources in an efficient, effective and economic way.

Students expect to have good teaching and to benefit from their investment in their higher education experience. To meet our conditions of registration, providers must demonstrate they are well run and financially sound, and offer a high quality education experience with positive student outcomes.

We note that the understanding of what ‘value’ means among students differs and an individual’s perceptions may change over time. For many students, value is understood in economic terms: they want a degree that will give them the skills to get a well-paid job. For others, it is measured academically, in getting to study with world-leading experts on a particular topic. And for some, it is meant in terms of the broader experience they get at university.

Many universities and staff worked hard during the pandemic to deliver teaching in difficult circumstances. However, in the additional questions we asked in the 2021 NSS about students’ experience of the pandemic, only 48 per cent of respondents said they were content with the delivery of learning and teaching of their course during this time. Students were also affected in many ways beyond the immediate teaching and learning experience, in terms of mental health and wellbeing, financial and health circumstances, and opportunities for work experience and graduate employment.

Our reforms of quality and standards conditions, with a focus on student outcomes, are designed to address value for money for individual students and for the taxpayer, including through minimum numerical thresholds for continuation, completion, and professional employment or further study outcomes.

Our value for money strategy sets out the following principles for addressing value for money:

- We set a minimum level of protection for students through our conditions of registration, ensuring a baseline for value for money for students and taxpayers.
- We foster competition through the requirement for registration, which encourages providers to respond to student needs.
- We help students to make the right choices about what and where to study through the data shared on Discover Uni, the official website for comparing higher education courses.
- We make sure providers do not charge fees exceeding the maximum levels allowed. (These limits are set by government, which also decides the terms of the student finance system.)
- We focus on the outcomes we expect of providers rather than prescribing how these should be achieved, so that providers, as autonomous bodies, are free to define their own missions, strategies and approaches.
- We improve transparency so that providers are open about value for money for students and taxpayers.
- We use our participation KPMs to track whether groups of students, such as those from low-participation areas, are not receiving the value for money secured by their peers, and act to close gaps.
- We monitor employment outcomes for students, and use our KPM 16 to explore the extent to which employers are satisfied with the knowledge and skills of graduates.
- We make sure that public investment in higher education leads to public benefits that cannot be achieved solely by providers responding to student choice, for example by providing funding to protect world-leading specialist provision, and use the funding we distribute as a regulatory tool to support social and economic priorities.

Students' views on value for money

We know from surveys that many students feel that they do not receive value for money for their higher education in relation to the costs of studying and their tuition fees, and this negative view was exacerbated in during the pandemic in relation to the issue of contact time, and particularly that offered in person.

Our KPM 19 measures whether current undergraduate students think attending university is good value for money.

Between February and May 2021, our polling contractor asked 614 students, 'Considering the costs and benefits of university, do you think it offers good value for money?',

32.9 per cent answered 'Yes', falling from 37.5 per cent in the previous year.

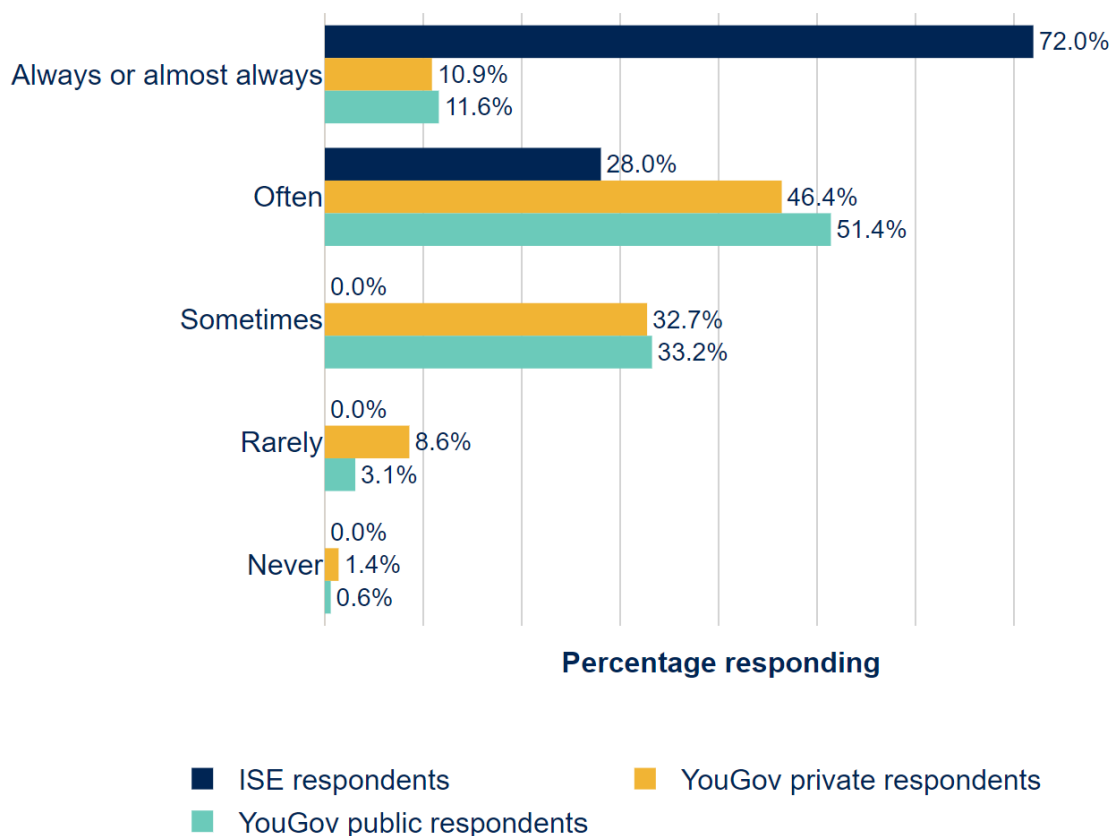
These results were broadly consistent with findings on value for money from the Advance HE and Higher Education Policy Institute (HEPI) Academic Experience survey, published in June 2021 based on polling in February 2021 and March 2021.⁶⁹ The HEPI survey found that the proportion of students who feel they have received good or very good value is very low (just over one in four). The HEPI survey also showed an increase in the number of students saying that their higher education experience was worse than they had expected compared with responses in previous years. The significant challenges of the pandemic are likely to have affected responses.

Employers' views of graduates

One measure of value for money is whether employers think that graduates have the right knowledge and skills once in employment.

In support of KPM 16, we asked employers whether they could recruit the quality of graduates they wanted, and considered positive responses to be 'always / almost always' and 'often'.⁷⁰ The findings were broadly positive, with all Institute of Student Employers and two-thirds of YouGov respondents able to recruit the quality of graduates they wanted.

KPM 16: Employers' views on whether they can recruit the quality of graduates they want



⁶⁹ See <https://www.hepi.ac.uk/2021/06/24/the-student-academic-experience-survey-2021/>.

⁷⁰ These results are based on three surveys commissioned by the OfS and delivered by the Institute of Student Employers and YouGov in September and October 2020. Respondents were from a range of sectors, business sizes and locations across the UK.

Working through the UK Higher Education Regulators and Funders (Financial Sustainability) Group

The OfS is a member of the UK Higher Education Regulators and Funders (Financial Sustainability) Group.⁷¹ With its partners, the OfS commissioned a review of the Transparent Approach to Costing (TRAC), which made recommendations to ensure that it is not disproportionately burdensome and meets data needs. This was in response to the government's request as part of a wider review of bureaucratic burden.

An independent research report was published in November 2021.⁷² The majority of contributors to this review acknowledged the benefits of TRAC. The researchers made several recommendations about how burden could be reduced, greater value be derived or both through TRAC, and a key recommendation to streamline requirements around the governance sign-off process within institutions has already been implemented. The group is now working through other recommendations and priorities.

Senior staff pay

In November 2021 we published details of salary, allowances, and other forms of remuneration for vice-chancellors, as well as information on staff paid over £100,000 a year for the 2019-20 academic year.⁷³ The analysis only accounts for the early months of the coronavirus pandemic. It shows that the average pay for vice-chancellors has plateaued, although there remains significant variation across the sector.

Total remuneration paid to vice chancellors and other heads of higher education providers fell in 60 providers, while it rose in 93. Pay increases for vice-chancellors are lower, on average, than the 1.8 per cent increase recommended for university staff during this time.

The report also sets out details of pay ratios between the heads of providers and staff, as well as explaining details of anomalous salaries that may have occurred due to staff changes, bonuses or retirements.

The analysis found that, for the academic year 2019-20, the percentage of university staff who were paid a basic salary of £100,000 or more was 1.8 per cent, a rise of 0.1 percentage points since the previous year.

Corporate performance

The OfS is an efficient and effective regulator.

⁷¹ The Regulators and Funders group comprises: the OfS, UKRI, Research England, the Higher Education Funding Council for Wales, the Scottish Funding Council and the Department for the Economy (Northern Ireland). Its central purpose is to discuss higher education financial sustainability issues.

⁷² See www.officeforstudents.org.uk/advice-and-guidance/partnerships-and-collaboration/financial-sustainability-and-trac/review-of-trac/.

⁷³ See www.officeforstudents.org.uk/news-blog-and-events/press-and-media/office-for-students-releases-latest-analysis-on-senior-staff-pay/.

Strategic outcome EF1: the OfS is a well-managed and appropriately structured organisation, which supports and develops its staff to enable delivery of its objectives.

Strategic outcome EF2: the OfS has the right systems and process infrastructure and resources to support delivery of its objectives

Strategic outcome EF3: regulatory burden for providers is minimised.

Our student panel

The OfS regulates on behalf of students, so it is important that students inform our work and influence the approaches we take. We are committed to student engagement as part of regulating in the student interest.

Our student panel advises our board and senior management team on what the OfS should prioritise, and works with our student engagement team to shape and support the delivery of our student engagement strategy.⁷⁴ The panel has had a direct impact in several areas over the last year, including:

- Meeting regularly with the Minister of State for Higher and Further Education to discuss the impact of the pandemic on students. They also discussed the longer-term implications of the move to blended and online models of teaching, and shared their views on the development of the LLE.
- Co-creating the approach to engaging with students for the review of the NSS. Panel members partnered with staff to co-create the student engagement approach for the review, enabling students to shape future survey questions, making it a survey for students, shaped by students. Working with policy teams to advise how the OfS should approach:
 - Quality and standards, particularly in shaping the proposed TEF student submission process and the support students would need to engage with this.
 - Access and participation plans, enabling students to have a voice in our access and participation work through the student submission and provider engagement with students.
 - Our approach to tackling harassment and sexual misconduct, shaping the statement of expectations to be clear and understandable for students and students' unions.
 - Advising on areas of focus on the international student experience in OfS policy development.

We launched our refreshed student engagement strategy with revised priorities for the next two years, noting the changes in the higher education landscape arising from the pandemic and our new OfS strategy for 2022 to 2025. We involved our student panel, students and students' unions, sector experts on student engagement, and other regulators in developing the engagement strategy.

⁷⁴ See www.officeforstudents.org.uk/about/who-we-are/our-student-panel/ and www.officeforstudents.org.uk/publications/students-experts-in-their-own-experience/.

Students – Experts in their own experience

Our strategy for engaging students from 2020 to 2023




Office for Students 



“ Our vision: This strategy ensures that past, present and future students shape the regulation of higher education in England. ”

Our objectives

The Office for Students will:

-  Learn about the experiences of students
-  Work in partnership with students
-  Communicate with students in an accessible way

And throughout our work, we will seek the perspectives of students whose voices go unheard.

Our new student engagement priorities reinvigorate our commitment to engage students from underrepresented groups throughout our work, and enable students' voices and views to play an integral role in our policy development and implementation. As part of our student engagement work, we are committed to involve students and students' unions in:

- enhancing the quality and outcomes of their education
- work to protect students' rights as consumers while they study
- the development of our approach to freedom of speech
- tackling harassment and sexual misconduct on campus
- engaging students in our work to understand what works for mental health support
- developing a training package for student representatives to engage and shape our regulatory processes.

Prioritising activity and working more efficiently

Throughout this year, workload demands have exceeded available staff resource, and there has been a need for active review and prioritisation of our activity. Our approach to strategic and business planning is described on page 90. About 40 per cent of our projects are currently managed across multiple directorates, and we created cross-organisation teams to work on substantial projects such as the development of, and analysis of responses to, consultations.

Throughout the year, our Compliance and Student Protection directorate worked on a redesign and implementation of operational infrastructure and ways of working, which was supported by a training and development programme for staff.

Investing in digital capability

During this operating year, we identified opportunities across the organisation where digital solutions could improve our processes and efficiencies, and engaged an external organisation to advise us. Through workshops with staff, we helped our partner understand our current services and establish the most appropriate digital solutions to the areas that cause the most issues, devising an ambitious but achievable road map for delivery. At the end of the year under review, we finalised our digital strategy.

We continued to decommission older, legacy technologies, and we are preparing for implementation of cloud-based services for data analysis in 2023.

Our cyber strategy is a subset of our digital capability. This year we improved our prevention, detection and incidence response. To reduce the risk of a costly cyber attack we invested in a security information and event management tool, next generation protection hardware and 24-7 monitoring services.

There has been continuous improvement and development of our enterprise resource planning software (which provides financial and human resources services), with twice-yearly rollouts of upgraded functionality and versions, to ensure security patches and protocols are up to date. This has included developing a new recruitment module. We also invested in development of an 'Adaptive insights' module, to provide more efficient management and reporting of forecasts and budgets across the organisation.

We continue to develop the OfS's Customer Relationship Management (CRM) system. Several initiatives within the CRM were developed and deployed, such as a new consultation tool and a tool relating to case management functionality for degree awarding powers. The rollout of a new provider portal has proved challenging because of the detailed interdependencies with other critical programmes, such as the CRM and the data analytical tool replacement programme. A plan for acceleration of the CRM programme has been developed, to deliver an enterprise-level CRM as a key regulatory tool within a year.

People

We aim to be an inclusive employer with an open culture, and we encourage people of all backgrounds to apply to work at the OfS as part of our workforce strategy. In June 2021 we published the equality, diversity and inclusion statistics for our staff, to inform our work on improving the diversity of our workforce. Our strategic commitment to equality, diversity and inclusion supports staff to build diversity and inclusion into their work.⁷⁵

We have a strong commitment to staff wellbeing, and our policies and procedures are designed to promote a fair, safe and inclusive working environment. The 'Remuneration and staff' report provides data on turnover and sickness absence.

We ran two pulse surveys of staff this year, to assess their wellbeing and capacity. Sessions on resilience were offered to all OfS staff to support the performance of individuals and the organisation as we worked towards a hybrid return to the office, and online learning supported the transition to working in hybrid working environments and managing staff in hybrid teams.

Each year we run a staff survey mirroring the questions in the Civil Service People Survey. This year we moved the timing of our survey from February to autumn to align with the timescale of the Civil Service Survey, and so that we could include staff's feedback on their experience of hybrid office working in the spring and summer of 2022.

⁷⁵ See www.officeforstudents.org.uk/about/equality-and-diversity/.

Our KPMs 22 and 23 are based on data from our most recent staff survey in February 2021. 83 per cent of our staff responded, compared with 80 per cent across all civil service respondents.

KPM 22 reports on the extent to which staff understand and feel that they contribute towards the OfS's strategic objectives. The engagement score in 2021 was 78 per cent, which is broadly comparable with other civil service organisations.

KPM 23 reports on the employee index score, which is derived from the staff survey based on five questions measuring pride, advocacy, attachment, inspiration and motivation. Our employee engagement index score was 0.59. This is relatively low compared with the Civil Service median employee index score of 0.66 in 2021.⁷⁶

Our February 2021 People Survey results show strong engagement with team working throughout the organisation, with teams relied upon when things get difficult and to improve the service we provide. The results also highlighted areas for improvement including learning and development, leadership and management of change. In response to the importance that staff attach to learning and career development, this year we invested in high quality, accessible online learning on leadership and management, provided by an executive development business school. Its content supports development at all levels in the organisation. It is intended to work alongside on-job development, coaching, and face-to-face learning. We curated content tailored to our organisational priorities, and to our competencies.

Internal value for money

We published our review of value for money for the 2020-21 financial year in December 2021.

An overall measure of the efficiency and economy of the OfS can be expressed as the cost to providers of regulation per student. We have introduced this measure as part of KPM 26, which we published for the first time this year.

The cost for academic year 2019-20 (the latest available data) shows that providers paid an average of £19.98 per student in regulatory fees (including the costs of QAA and HESA in relation to their designation).

In September 2020, in recognition of the impact of the pandemic on providers and the aim to reduce the regulatory burden on the higher education sector, we committed to reduce the registration fees paid by providers by 10 per cent in real terms over the next two academic years. However, the Secretary of State's guidance of 31 March 2022 advised that the OfS was no longer expected deliver the registration fee reduction in academic year 2022-23, in view of the strategic priorities that we are asked to pursue.⁷⁷ The registration fees for academic year 2022-23 have been confirmed at the same rates as academic year 2021-22, which represents a reduction in real terms of 7.4 per cent compared with academic year 2020-21.

We have an internal value for money dashboard with a range of measures designed to inform the organisation on progress in improving value for money across the whole range of initiatives. These form part of our overall organisational performance scorecard and are reported to senior managers on a regular basis. The measures cover a wide range of operational areas as well as overall

⁷⁶ The index score gives a stronger weight to 'strongly agree' responses than to 'agree' responses, and also gives stronger weight to neutral responses than to 'disagree' or 'strongly disagree' responses.

⁷⁷ See www.officeforstudents.org.uk/advice-and-guidance/regulation/guidance-from-government/.

financial performance, staff numbers and procurement. For example, the OfS procurement team generated savings of £214,974 in 2021-22. All of these were direct price-based savings (measured in comparison with the previous price paid for a service or for new contracts against the average price of all acceptable tenders). They were for a mixture of professional services, IT and facilities management requirements.

Regulatory burden

Our work to monitor and, where possible, reduce regulatory burden has continued. We are now operating a more streamlined and structured approach to communication with providers in terms of the frequency of our communications.

In May 2021 we published for the first time KPM 26, in which five quantitative measures track the administrative burden we place on providers in the areas of volume of data and information returns; the number of OfS conditions of registration subject to enhanced monitoring requirements; the percentage of providers submitting new access and participation plans; the number, word count and readability of OfS regulatory documents; and regulatory fees.⁷⁸ A notable reduction of burden between November 2019 to April 2022 is demonstrated by the reduction in the average number of OfS conditions of registration subject to enhanced monitoring requirements per registered provider: on this measure, the average has fallen from 1.35 to 0.3.

Communications

Communications are central to our regulatory role. Transparent and clear publication of information and media coverage can have more impact in pursuing regulatory objectives than formal interventions, and certainly complement the impact of more formal guidance and requirements. This year we continued to utilise our social media presence to support our messaging to students and information, advice and guidance work.

This year, we have continued to run the majority of our events online in response to the ongoing pandemic and well-established online meeting and event procedures established during this period. Participants continued to benefit from increased accessibility as a result. This year we hosted 14 online events, with over 5,600 people either attending or watching recordings of our larger events posted to the OfS YouTube channel at a later point. John Blake's speech at our 'Next steps in access and participation' event in February 2022 was viewed by over 1,000 people at the time, and by nearly 500 after the event.

⁷⁸ See www.officeforstudents.org.uk/about/measures-of-our-success/efficiency-and-effectiveness-performance-measures/regulatory-burden/.

Communications data

Figures are for 1 April 2021 to 31 March 2022

Visits to OfS website

Total page views across the whole site

2,875,429



Total home page views

153,155

Social media

Number of interactions with people on



Twitter

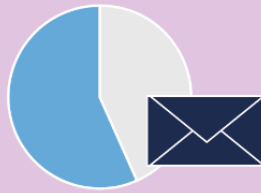
40,009



LinkedIn

6,749

Public enquiries dealt with



Emails **2,660**



Calls **1,204**

Online events held **14**



Online attendees

3,401

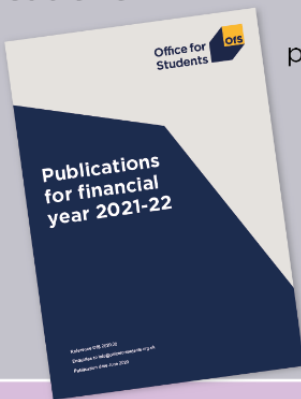


Press releases and news articles published

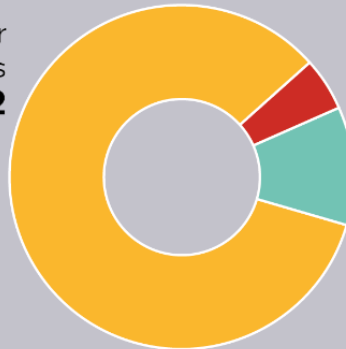
68

Publications

98



Other publications **82**



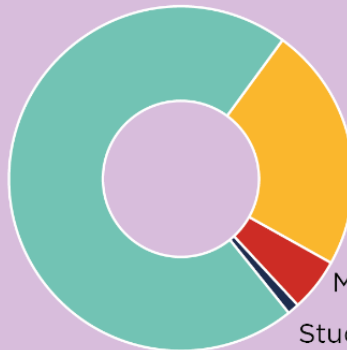
Regulatory notices and advice **5**

Independent research reports **11**

Email campaigns **216**



Alerts **153**



Weekly roundups **50**

Monthly updates **11**
Student spotlights **2**

European Union exit

The OfS has not been directly affected by the UK's decision to leave the EU. We consider changes in applications from EU students in the context of our work on the financial health of universities and colleges.

Within the OfS, following government changes to procurement rules, we take account of social impact as part of any tender award criteria, in line with guidance on priority policy outcomes.

Social matters, respect for human rights, anti-corruption and bribery

As a public body we must operate in a way that is compatible with the Human Rights Act 1998, including the right for people to be free from slavery and forced labour. We continue to hold the Corporate Ethics Mark from the Chartered Institute of Procurement and Supply, which shows that that we are committed to accountability and self-governance and that our procurement team is trained in ethical procurement and supplier management. All staff must follow the seven 'Nolan' principles of public life and comply with our policy on prevention of bribery, fraud and improper conduct.

Our principal strategic risks during the 2021-22 operating year

Throughout the year we kept our risks under constant review, and mitigating actions were developed and delivered. Our risk management framework aligns all our corporate risks with strategic risks. The Governance statement (see page 86) explores how our system of internal control provides assurance over the effective management of risk.

The principal strategic risks discussed below were most recently reassessed in December 2020. Towards the latter part of the operating year, we began to consult our Risk and Audit Committee and board on the principal risks relating to our new strategy for the period 2022 to 2025, to ensure that our risks for the next operating period are fully aligned with our 2022 to 2025 strategy.

Our main risks during the 2021-22 operating period were assessed as follows.

Strategic clarity

The risk of a rapidly changing policy and external environment relating to higher education regulation leading to lack of clarity about the OfS's purpose and role.

Mitigating actions include:

- Development of the new OfS strategy for the period 2022 to 2025, which takes account of the changes in the external policy environment and sets a clear strategic agenda for the OfS.
- Maintaining close relationships with the DfE and other key stakeholders, while ensuring the OfS's regulatory independence.

Strategic delivery and expectations

The risk of significant changes to our remit, coupled with new, unpredictable, competing and complex demands leading to not having, or being able to flex resources to deliver changing priorities.

Mitigating actions include:

- Ensuring our work is responsive to changing government priorities as appropriate.
- Active prioritisation by the executive team.

- Flexible and cross-directorate resource allocation management by our PMO.
- Communication with stakeholders including a high level of engagement with students through the student panel and other routes.

Regulatory and legal

The risk of the changing environment, nature of legislation underpinning the OfS's functions, and legal challenge, leading to sub-optimal delivery of the strategic outcomes the OfS wants to see.

Mitigating actions include:

- The effective operation of our regulatory framework, the effective functioning of our Provider Risk Committee, and learning lessons about our approach following legal judgements.
- Continuing to develop our regulation – for example, resetting our regulatory requirements through a phased consultation on quality and standards.

Provider financial sustainability

The risk of providers being placed at an increased risk of financial failure due to the impact of the pandemic alongside other factors, creating risks for students.

Mitigating actions include:

- Our new condition C4, which took effect on 1 April 2021 and enables the OfS to intervene more quickly and in a targeted way when we consider there to be a material risk that a registered provider may cease the provision of higher education.
- Revised reportable events guidance published to encourage providers to report risks before they materialise.
- Continued work to improve our skills to identify provider risks, and ensure joining-up of internal processes for identification and mitigation of risks.

Access and participation

The risk that COVID disruption and other external factors make it difficult for the OfS to deliver its core strategy and goals for improving access and participation for the most disadvantaged students.

Mitigating actions include:

- Risk-based monitoring of access and participation risks for each provider and robust assessment of proposals to vary access and participation plans.
- Identifying how access and participation regulation and funding could adapt to new government policies to promote further education, apprenticeships and adult skills.
- Identifying how access and participation regulation and funding could promote a broadening of activity with schools.
- Active communication with stakeholders on new policy directions.
- Work with TASO to improve access and participation evaluation, including on the new approaches adopted during the pandemic.

OfS funding

The risk that changes to the levels or structure of registration fees lead to insufficient funding for the OfS to deliver its functions.

Mitigating actions include:

- Active prioritisation of the OfS business plan, ensuring non-priority work is minimised.
- Delivery of efficiency savings by 2022-23, targeted in areas that have the least negative impact.
- Additional funding support secured from DfE.

Business continuity

The risk that external events such as pandemic or cyber attack lead to OfS services being disrupted.

Mitigating actions include:

- Monitoring corporate operations and taking appropriate action to provide early warning of issues and ensure business continuity
- Investment in cyber security monitoring systems to achieve the most visibility we have ever had of cyber threats and tools to secure our current and future services.
- Ensuring that the OfS continues to be certified as meeting the requirements of the cybersecurity 'Essentials plus' scheme.

Capability

The risk that the OfS does not have the right capabilities across the organisation because of the maturing nature of its role and functions.

Mitigating actions include:

- Consideration of the resource implications of the 2022 to 2025 strategy and associated capacity and capability issues.
- Investment in learning and development targeted at strategic priority areas.
- Use of the competency framework in recruitment and performance management.
- A continued focus on improving the diversity of the workforce.

In the latter part of the operating year, we consulted our Risk and Audit Committee on the principal risks relating to our new strategy for the period 2022 to 2025, to ensure alignment.

Financial performance

Funding and expenditure

In delivering the strategic objectives, the OfS received a total of £1,470 million (2020-21: £1,515 million) of grant funding from the DfE. Grant-in-aid is treated as financing and taken directly to reserves.

Section 70 of HERA makes provision for the OfS to charge providers an annual fee for their registration in the Register of English higher education providers. The level of this fee is set by

government. In 2021-22 the OfS received £25.9 million (2020-21: £26.3 million) in registration fee income to support administration costs.

Total expenditure in year was £1,499 million (2020-21: £1,550 million). Of this, £27.7 million (2020-21: £27.7 million) relates to administration, and £1,471 million (2020-21: £1,522 million) relates to programme funds.

We aim to provide as much of our grant funding as possible through core block allocations for recurrent teaching, as the most efficient means of distributing funding to the sector. In addition to recurrent grants, we provide specific funding for national initiatives, as well as capital funding to support the sustainability of the higher education system. Grant funding was distributed to the sector on an academic year basis (1 August to 31 July). Funding allocations are announced to the sector annually. More details can be found on the OfS website.⁷⁹

The administration cost budget (including registration fee levels) is agreed with the sponsoring department each year, and performance against budget is monitored and reported each month.

Performance against financial target in-year

At 31 March 2022 the Statement of financial position shows net assets of £7.6 million (2020-21: £7.8 million).

In resource terms the OfS aims to distribute all funding received from the DfE in-year. The framework agreement with the DfE recognises that it may not always be possible to match receipts and payments exactly within a year, and so allows for a cash carry-forward at year end. At 31 March 2022 our cash balance was £12.5 million (2020-21: £13.7 million). This balance also includes £6.2 million (2020-21: £6.2 million) of registration fee income, which is deferred to 2022-23 in line with International Financial Reporting Standard 15.

The OfS is fully committed to the prompt payment of suppliers and aims to pay all valid invoices as soon as possible. The OfS supports the Better Payment Practice Code, which targets payment within 30 days, and monitors performance in-year against this target.⁸⁰ To balance the desire to pay creditors promptly against the need to maintain effective internal controls, the OfS also monitors performance against 10-day and five-day measures. The following table shows an analysis of invoices paid against targets.

	2021-22	2020-21
5 days	89.2%	82.2%
10 days	96.9%	90.3%
30 days	99.4%	98.7%

At 31 March 2022 the trade payables balance (the amount owing to our suppliers) was £0.6 million (2020-21: £0.3 million). During 2022-23, performance will continue to be monitored against such

⁷⁹ See www.officeforstudents.org.uk/advice-and-guidance/funding-for-providers/annual-funding/.

⁸⁰ See www.payontime.co.uk/.

measures, and benchmark information will be used to drive continuous improvement in financial management processes.

Performance analysis

This performance analysis reports on our progress in 2021-22 against the 13 strategic outcomes that underpin our five strategic objectives. All our strategic objectives are reflected in and delivered through our work to register and monitor providers, making interventions where necessary. In this way, we protect the interests of students before, during and after their higher education experience. We have not explicitly referenced this work against each strategic objective in the table below. A number of the other activities described in this table relate to our sector-level activity to support continuous improvement in teaching, learning and the student experience through effective practice and strategic investment.

Strategic outcome	Delivery in 2021-22
Participation	
<p>P1: Access, success and progression are not limited by background and identity, and gaps are significantly reduced.</p>	<ul style="list-style-type: none"> • We began reframing our approach to access and participation work, such as asking providers to engage in work to raise the attainment of school learners, and to support a greater focus on higher technical qualifications and the promotion of the availability of non-traditional routes through higher education. • We published the outcomes of our 2019-20 academic year access and participation plan monitoring. • In May 2021, we distributed an additional allocation of £15 million of student hardship funding provided by the Minister of State for Universities for the 2020-21 academic year through our student premium funding mechanism. • With Research England, in November 2021 we announced the outcome of a competition to increase access and participation for black, Asian and minority ethnic groups in postgraduate research, funding 13 projects. • The narrowing of equality gaps over time had been a feature of most of our participation KPMs in recent years. Data from the 2020-21 academic year suggests that this trend continued in that year in relation to our KPMs, although there are indications that progress may not be sustained in the 2021-22 academic year data. <p>For more information, see page 26 of the Performance summary.</p>

Strategic outcome	Delivery in 2021-22
<p>P2: All access and participation activity is underpinned by evidence and ‘what works’.</p>	<ul style="list-style-type: none"> • In March 2022 we updated the access and participation dashboard, which gives providers the latest insights on equality gaps across their student lifecycle. • We funded the access and participation ‘what works’ centre for higher education professionals to access research, toolkits and evaluation guidance to help improve equality, and published an independent evaluation at the mid-term of our investment, which noted the impact of COVID-19 on delivery timescales, but also a number of positive features in implementation. • We published an independent review of the impact of evidence submitted by Uni Connect Partnerships. Key findings were that all types of interventions considered in the review help to increase learners’ knowledge of higher education and to ensure learners’ decisions were better informed, but evidence of the impact of interventions aiming to develop learners’ interpersonal skills and attributes was mixed and inconclusive. <p>For more information, see page 26 of the Performance summary.</p>
<p>Experience</p>	
<p>E1: Students are able to choose from a diverse range of high quality higher education provision, which is responsive to the preferences and needs of students from all backgrounds and to the shifting national and global environment.</p>	<ul style="list-style-type: none"> • We made major improvements in functionality to our Discover Uni website which is an online resource allowing prospective students to compare up to seven courses, rate their favourites and compare the key information in an easy to understand, accessible way. • We published the 2021 NSS results, and launched the 2022 NSS Survey, managing this work on behalf of counterpart organisations in the devolved administrations. • With our partners, we led a second stage of the NSS review, consulting on potential changes to the publication of NSS data, to gather views on what users think of the current data provision, and what changes would be useful. • In parallel with the main 2022 NSS survey, we piloted revised NSS questions developed through engagement with key stakeholders. • We produced a guide for students, which sets out what the NSS is, how it is promoted by providers, and the types of promotion universities and colleges are and are not allowed to undertake. • We prepared to launch a pilot postgraduate taught course student survey.

Strategic outcome	Delivery in 2021-22
	<ul style="list-style-type: none"> • We published an update to our experimental statistics on student transfer, adding data for entrants in the 2018-19 academic year to the analysis. • To support diverse and high quality provision, we consulted on our approach to providing additional funding to a subset of world-leading specialist higher education providers to recognise the higher cost and distinctive nature of teaching at (primarily small) specialist higher education providers, and the public value that they bring to the sector. We established an expert panel to review submissions from providers in relation to such funding. • We announced our review of blended learning, which will enable us to understand the different approaches being implemented across the sector. It will enable us to report on the approaches that we think are compliant or non-compliant with our revised B1 and B2 conditions. • In partnership with the UK Council for International Student Affairs and the DfE, we launched a call for evidence in March 2022 to identify what works in supporting the integration and wellbeing of international students. <p>For more information, see page 37 of the Performance summary.</p>
<p>E2: Students have a positive experience of higher education and are highly satisfied with the quality of teaching, learning, wider experience and outcomes.</p>	<ul style="list-style-type: none"> • We continued to fund the online platform Student Space, run by Student Minds, which is intended to complement existing support services available at higher education providers. It provides a range of wellbeing resources and one-to-one support services, as well as links to support services in higher education providers. • With investment from the Department of Health and Social Care and DfE, we announced the outcomes of a second funding competition for projects focused on student groups who may be at greater risk of developing poor mental health or who may experience barriers to accessing support. • We published a topic briefing for providers on suicide prevention. • We supported the Disabled Students' Commission in monitoring how providers had responded to the Commission's Report, 'Three months to make a difference'. • We published our statement of expectations, providing a clear and consistent set of standards to help colleges and universities to develop and implement effective systems, policies and processes to prevent and respond to incidents of harassment and sexual misconduct, together with a guide to

Strategic outcome	Delivery in 2021-22
	<p>help students to understand what to expect from their university or college, what to do if those expectations aren't being met, and where they can get help if they have experienced harassment or sexual misconduct.</p> <ul style="list-style-type: none"> We assessed annual provider reports on Prevent-related activity in the academic year 2020-21. <p>For more information, see page 40 of the Performance summary.</p>
<p>E3: Students' knowledge and skills are improved during their higher education experience.</p>	<ul style="list-style-type: none"> We provided funding to develop postgraduate conversion courses and deliver scholarships for underrepresented groups during the 2021-22 academic year to enable graduates from other subject areas to retrain for artificial intelligence and digital professions. The latest evaluation findings are expected to be published in Summer 2022. We worked with Health Education England to support the government's ambition to expand the number of places for trained nurses. At the end of the 2021 UCAS application cycle, a record number of full time undergraduate students had applied to begin nursing courses in England: 30,185, compared with 29,740 in 2020 and 23,630 in 2019 before the pandemic. <p>For more information, see page 41 of the Performance summary.</p>
<p>E4: Students' interests are protected when events have a material negative impact on their ability to continue to study on a course, at a campus, or with a provider.</p>	<ul style="list-style-type: none"> Our new Student Protection condition C4 took effect on 1 April 2021, allowing us to intervene more quickly to protect students' interests if providers are at risk of shutting down for financial or other reasons, and enabling us to direct providers to take actions such as arranging student transfers, providing information, advice and guidance to students, or providing refunds. We consulted on a revised approach to Reportable events, clarifying the issues that providers need to let us know about. The revised definition came into effect on 1 Jan 2022. An NAO report on the OfS's responsibilities to protect students' interests from the consequences of financial risk in higher education providers found that the OfS makes good use of the financial data it collects, analysing it in a systematic way to identify which providers require closer scrutiny. We monitored the financial returns of 250 providers, triaging these to identify those that warranted a more detailed review, and the most serious cases requiring engagement and consideration of regulatory action.

Strategic outcome	Delivery in 2021-22
	<ul style="list-style-type: none"> We managed the market exit of The Academy of Live and Recorded Arts, securing options for students' further study on the closure of the drama school. <p>For more information, see page 18 of the Performance summary, 'Regulating universities and colleges.'</p>
Outcomes	
<p>O1: Graduates and postgraduates leave with the knowledge and skills that will contribute to their national and local economies and communities, and drive productivity.</p>	<ul style="list-style-type: none"> We funded 22 projects to develop short courses to test supply and demand for flexible, modular courses that would be eligible for the new LLE. Short courses supported through funding included those in advanced data-driven skills, higher level creative technical skills, agile software engineering, healthcare and professional skills, and decarbonisation in the built environment. Delivery of the developed courses begins from September 2022. We worked collaboratively on medical and dental intake targets with the Department for Health and Social Care, the DfE and Health Education England to support the future growth of the health education workforce. These targets recognise the very high cost to government (including the OfS) of training for doctors and dentists, and mitigate against a mismatch between the numbers graduating and the number of foundation programme training places available. We monitor a provider's recruitment against its medical and dental intake targets over a rolling five-year period, which gives them some flexibility in managing their recruitment from year to year. We continued to fund some of the projects supported through the Local Graduates Challenge Competition last year, as extended timescales were agreed because of disruption caused by the pandemic, and continue to disseminate good practice emerging from this work. Our experimental data analysis, projected completion and employment from entrant data (Proceed), found substantial differences between individual universities, in different subjects, and in different subjects at individual universities. We updated our geography of employment and earnings data, which reflects differences across the UK. The report presents a method developed by the OfS for grouping areas based on measures of local graduate opportunity. We also analyse differences in employment outcomes by the characteristics of age, sex, disability, ethnicity and educational disadvantage. We published OfS Insight brief #11, 'Place matters: inequality, employment and the role of higher education', on the considerable geographical disparities that affect students and graduates in

Strategic outcome	Delivery in 2021-22
	<p>England. The rate of gaining entry to higher education varies by location, as does the availability of nearby provision and of graduate-level employment opportunities after university. The brief examines how the OfS, universities and colleges are working together for 'left behind' students.</p> <ul style="list-style-type: none"> • KPM 16, based on surveys, found that all Institute of Student Employers respondents and nearly two-thirds of YouGov respondents reported they were able to recruit the quality of graduates they wanted. <p>For more information, see page 45 of the Performance summary.</p>
<p>O2: Students' lives are improved and enriched by their time in higher education.</p>	<ul style="list-style-type: none"> • This strategic outcome is reflected in our baseline regulatory requirements for providers, which set the minimum expectations that students and the taxpayer may expect. • Our phased Quality and standards consultations sought to reset our approach to quality and standards, taking a risk-based approach, concentrating our regulatory efforts on lower quality providers. Three linked consultations published in January 2022 are underpinned by requirements for minimum acceptable student outcomes. • 418 providers as of 31 March 2021 (compared with 420 as of 31 March 2021) are registered and subject to our ongoing conditions of registration. Although new providers were added to our Register, voluntary de-registration and mergers meant that some providers left the Register. • The government provided an additional £10 million to support providers that saw increases in undergraduate student numbers studying high-cost subjects due to the use of centre-assessed grades in the summer 2021 admissions cycle. We distributed this to Approved (fee cap) registered higher education providers based on their student number returns, as a one-off formula allocation of non-capital funding for the 2021-22 academic year. <p>For more information, see page 18 of the Performance summary.</p>
<p>O3: Qualifications hold their value over time, and students are able to use them long after leaving higher education.</p>	<ul style="list-style-type: none"> • We announced revision of our B quality conditions in March 2022, including Condition B4, which requires students to be assessed effectively and receive credible qualifications that stand the test of time, and Condition B5, which ensures that standards are consistent with sector-recognised standards. The revised conditions came into effect on 1 May 2022. • Our updated KPM 18 shows the percentage of students attaining first class degrees. This showed that the proportion of UK-domiciled full-time first-degree graduates attaining a first class degree

Strategic outcome	Delivery in 2021-22
	<p>from providers registered in England increased by 6.7 per cent between 2018-19 and 2019-20, and by a further 1.8 per cent between 2019-20 and 2020-21. We are concerned about the continuing year-on-year increase.</p> <ul style="list-style-type: none"> Addressing concern about students' use of essay mills (businesses offering essay-writing services for a fee), we worked with the DfE and sector bodies on this issue. In autumn 2021 the government signalled an intention to make it a criminal offence to provide, arrange or advertise such services for financial gain. <p>For more information, see page 52 of the Performance summary.</p>
Value for money	
<p>V1: Higher education delivers value for students, graduates, taxpayers and employers, especially in the form of positive student outcomes.</p>	<ul style="list-style-type: none"> We published our KPM 19 on whether students think university provides good value for money, having considered costs and benefits, and are concerned that only 32.9 per cent of the 614 undergraduate respondents agreed that it was good value for money, compared with 37.5 per cent last year. We published the outcomes on consultations on changes to our overarching approach to funding, and on the way in which we provide grants to support world-leading specialist institutions. Relating to our review of funding for specialist providers, we published the outcomes of a consultation, invited submissions from eligible providers, and sought nominations for an expert panel to assess submissions. We collected and published data on senior staff pay for the 2019-20 academic year in November 2021. <p>For more information, see page 53 of the Performance summary.</p>
Efficiency and effectiveness	
<p>EF1: The OfS is a well managed and appropriately structured</p>	<ul style="list-style-type: none"> In response to a heavy workload, there were frequent reviews of work priorities and extensive use of cross-organisational working to address resource pinch points.

Strategic outcome	Delivery in 2021-22
<p>organisation, which supports and develops its staff to enable delivery of its objectives.</p>	<ul style="list-style-type: none"> • We continued to develop our corporate learning curriculum in addition to specialist learning. • We assessed our staff's performance against a behavioural competency framework, including specialist regulatory behaviours. • We further developed our internal dashboard, which enables us to monitor and measure business performance and metrics. • We published our annual value for money report for the 2019-20 financial year in November 2021. • We published data on the diversity characteristics of our staff. This shows that we have made some good progress towards our aspirational targets to enable us to realise the benefits of a diverse and inclusive workforce, although not across all targets. <p>For more information, see page 57 of the Performance summary.</p>
<p>EF2: The OfS has the right systems, process infrastructure and resources to support delivery of its objectives.</p>	<ul style="list-style-type: none"> • The work of the OfS board committees and student panel is a fundamental part of how the OfS delivers its objectives. • We continued to invest to mitigate the increasing risks associated with information and cybersecurity. We are re-certified as meeting the expected requirements of the 'Cyber essentials plus' scheme. • We took forward our internal Ways of Working project, which looks to optimise the use of workspaces and technology, and empower employees to work flexibly as part of our trial of a hybrid return to the Bristol and London offices. • We published a digital version of the OfS Register as a searchable set of web pages in a more usable and accessible form. • We delivered 14 online events to 3,401 online attendees. • Our public enquiries team responded to a third more cases in 2021-22 than in 2020-21 (3,864 compared with 2,897). • We worked towards the implementation of cloud-based analytical services in a new programming environment and shared our learning from this with colleagues at the UKRI and Research England.

Strategic outcome	Delivery in 2021-22
	For more information, see page 57 of the Performance summary.
<p>EF3: Regulatory burden for providers is minimised.</p>	<ul style="list-style-type: none"> • We published our KPM 26 on regulatory burden for the first time in November 2021, updating this in April 2022. Of particular note was the reduction since November 2019 of the average number of OfS conditions of registration subject to enhanced monitoring per registered provider. • We delivered efficiency savings, facilitating reduction in real terms of the registration fees for academic year 2022-23, which are at the same rates as for academic year 2021-22. • Our approach to regulation is risk-based. We expect most providers to comfortably meet our requirements. <p>For more information, see page 57 of the Performance summary.</p>

Sustainability report

The OfS is committed to good environmental practice and acting in a socially responsible way. We seek to follow industry best practice and achieve value for money in the way we operate our estate to contribute towards our strategic objectives. We assess our environmental impact, including benchmarking against other organisations with similar size and function, and developing targets for future emissions reductions and other sustainability improvements. We are constantly reviewing our ways of operating and continue to factor in climate change adaptation in our forward planning and we are working towards net zero by 2050.

The OfS's estate comprises three buildings based in Bristol, two of which we share. We lease one floor of a shared building in London.

In line with government guidance during the pandemic, the majority of staff continued to work from home for large periods of this operating year. Our offices were made available for staff at a significantly reduced capacity to adhere to all government guidelines. This is reflected in this year's data, where our offices were open for longer periods than last year, but it remains difficult to accurately compare data from previous years during settled periods and patterns of working. As body heat contributes to the heating of spaces, our increased use of gas this year compared with the 2019-20 operating year (before pandemic restrictions) may be partially explained by fewer staff using the space in 2021-22 compared with 2019-20, while our offices remained open throughout the period.

The sites that we operate have limited green space to consider a biodiversity strategy. The space available is regularly maintained by our contractors, and we encourage them to maintain and improve its ecological value where possible.

Our environmental performance

In addition to the proposed minimum reporting requirements of emissions, waste and finite resource consumption (Scope 1 and 2), we report on Scope 3 emissions relating to grid loss from the transmission and distribution of our electricity usage, and emissions arising from all business travel under our budgetary control. Our analysis of data follows HM Treasury sustainability reporting guidance.⁸¹

Accounting policies for non-financial data

When compiling this report, complete data for the final quarter of financial year 2021-22 was not available, so data was extrapolated to produce the annual figures below.

Total greenhouse gas emissions are calculated following guidance published by the Department for Business, Energy and Industrial Strategy, using current conversion factors for the reporting year.⁸²

⁸¹ See www.gov.uk/government/publications/public-sector-annual-reports-sustainability-reporting-guidance-2021-to-2022.

⁸² See www.gov.uk/government/collections/government-conversion-factors-for-company-reporting.

Sustainable procurement

The OfS endorses sustainable and socially responsibly procurement. By embedding sustainable procurement practice, we can enhance the delivery of value for money by reducing waste, protecting biodiversity, and supporting sustainable economic growth. We follow the Chartered Institute of Procurement's Corporate Code of Ethics and hold its Corporate Ethics Mark, demonstrating ethical values in the way we source and manage suppliers.

Reducing environmental impacts from IT and digital services

Our digital services facilitated remote working, which in turn enabled significantly reduced staff travel, with reductions in carbon use and improved air quality. We have continued to deliver against our IT strategy of using public cloud or software as a service, which allows users to connect to and use cloud-based apps over the internet. This is good practice in terms of carbon footprint, with most IT services provisioned in this manner. This trend is set to continue further in the next year, with the delivery of our Analytical Systems Modernisation programme to further reduce our on-premises technical footprint. Where it has not been possible to move on-premises services to the cloud, either these have been rationalised (our SQL server estate has been reduced by 70 per cent) or hardware has been upgraded, taking advantage of more power-efficient devices.

Our IT procurement takes into account ethical and sustainability considerations, and at the end of its life all IT kit is disposed of under the Waste Electrical and Electronic Equipment regulations.

Water, energy and paper consumption

The report on our direct consumption of water, energy and paper (finite resources) combines available data for our Bristol and London offices. The OfS shares its Bristol offices with UKRI Research England. We collected data at a whole building level and reported on behalf of all occupiers in line with treasury guidance. We also share one of our offices (Nicholson House) with a private sector sub-tenant.

This year, our paper use remains low with a 98 per cent reduction compared with our 2018-19 baseline, but this level of use was based on lower numbers of staff in the office than before the pandemic. We are an increasingly all-digital office, committed to continual improvement in this space.

We experienced multiple difficulties in the invoices received for water in relation to Nicholson House during this operating year. All water bills received contain no usage or charges. Therefore, it has not been possible to include water figures for this building in the relevant tables below.

We expect next year's usage of resources to be more reflective of business as usual reflecting a hybrid approach to in-office and remote working. (The energy, water and paper resources consumed by home workers are not measured here).

Other actions to mitigate climate change

We encourage travel by sustainable modes of transport by providing facilities for storage of cycles and showering facilities at our offices, and in the year under review, prepared improved arrangements for electric vehicle charging at our Bristol offices, hosting units by the supplier ChargePoint, allowing up to four vehicles to be charged at a time.

OfS finite resource consumption and expenditure

Unit		2018-19	2019-20	2020-21	2021-22
Paper	A4 reams equivalent	948	274	0	20
Water*	Cubic meters (m ³)	6.92	6.62	1.38	1.65
	£000	10	10	2	3
Electricity	Megawatt-hours	443	452	285	328
	£000	81	81	52	64
Gas	Megawatt-hours	508	495	260	580
	£000	15	17	11	21
Total utilities	£000	106	108	65	88

* Consumption per full-time equivalent OfS and Research England staff.

Greenhouse gas emissions

We have compared our performance with the previous three years we have been operating. We will continue to use previous years' data to benchmark performance, and aim for continuous improvement in line with the current Greening Government Commitments 2021 to 2025.⁸³ We continue to use a green energy tariff with 100 per cent renewable electricity supply.

OfS greenhouse gas emissions

Unit		2018-19	2019-20	2020-21	2021-22
Total gross emissions for Scope 1* (direct emissions)	Tonnes of CO ₂ e**	94	91	48	106
Total gross emissions for Scope 2* (energy indirect)		125	115	66	70
Total gross emissions for Scope 3 (other indirect)		98	75	6	10
Total emissions		317	281	120	186
Carbon intensity (per £ million expenditure***)		11	9	4	6

* We do not take into account net emissions for use of renewable tariffs and carbon offsets.

⁸³ See www.gov.uk/government/publications/greening-government-commitments-2021-to-2025.

** CO₂e is a carbon dioxide equivalent, and is the number of metric tonnes of CO₂ emissions with the same global warming potential as one metric tonne of another greenhouse gas. It allows bundles of greenhouse cases to be expressed as a single number.

*** We have not included our grant funding activity.

Business travel

	Unit	2018-19	2019-20	2020-21	2021-22
Car	£000	15	18	1	1
Taxi		17	10	1	0
Rail		544	374	0	23
Air		10	14	0	0
Total business travel	£000	586	416	2	24
	Tonnes of CO₂e	87.7	65.3	0.7	3.6
Travel carbon intensity per full-time equivalent	Tonnes of CO₂e	0.24	0.17	0	0.01

Breakdown of OfS greenhouse gas emissions from air travel

	Unit	2018-19	2019-20	2020-21	2021-22
Number of flights		79	81	0	2
Domestic flights	Tonnes of CO ₂ e	9.5	8.3	0	0
Short-haul international		1.3	0.7	0	0.4
Long-haul international		3.8	8.7	0	0
Total emissions	Tonnes of CO₂e	14.6	17.7	0	0.4

Waste

There are continued low levels in our reporting of total waste this year that reflect the fact that the majority of staff continued to work from home. We cannot directly attribute the generation of waste from our shared Bristol site between the OfS and our private sector sub-tenant. Last year we estimated that our sub-tenant was largely responsible for the production of waste to landfill as they operate on a 24/7 basis. We have followed the same assumption this year by continuing to attribute 5 per cent of the waste to the OfS. We have also continued to estimate that the volume of our sub-tenant's recycled waste remains low, so 95 per cent of recycled waste has been attributed to the OfS. These figures will be reviewed in 2022-23, following the trial of hybrid working and establishment of working arrangements of OfS staff.

We are committed to reducing Consumer Single-Use Plastics (CSUPs) in line with the Government's 25-year environment plan.⁸⁴ We began reporting on this quarterly to central government at the start of this financial year looking in detail at the number and category of items to identify areas of concern and ways in which we can reduce our usage. We reported high numbers during the first three quarters this financial year due to heightened cleaning regimes and a high number of disposable cleaning wipes used to minimise the spread of covid in our offices. As covid restrictions around the country have eased, our business as usual practices have resumed and our CSUPs have substantially reduced in the final quarter. We have a number of recycling bins around our offices where plastic is recycled via our contractors which is included in the waste recycled figures reported below, and encourage staff to use these facilities. We installed hydro taps to encourage staff to use reusable water bottles and glasses instead of bottled plastic water; we provide reusable crockery in our kitchen areas to eliminate the use of their plastic counterparts; we provide staff with facilities to store and reheat food to encourage making of home-made lunches, rather than buying lunches which tend to be stored in single-use plastic packaging.

In terms of comparative data in the table below, 2019-20 provides a more accurate indicator of our levels of output under normal circumstances. During 2020-21 there were periods of lockdown where the office was closed. The minor increase in the figure for 2021-22 reflects the office re-opening and being made available for use to limited numbers of staff to maintain social distancing. It should be noted that our paper waste weight (which contributes to the 'recycled at source' figures) for 2021-22 has been estimated because of a lack of available data from the contractor.

OfS waste

	Unit	2018-19	2019-20	2020-21	2021-22
Waste to landfill*	Tonnes	2.06	6.71	0.35	0.36
	£000	4	3	0	0
Waste recycled at source	Tonnes	19.48	13.12	2.96	6.60
	£000	3	6	2	2
Total waste	Tonnes	21.54	19.83	3.31	6.96
	£000	7	9	2	2
Total waste recycled at source	Percentage (%)	90	66	89	95
Waste intensity per full-time equivalent	Kg	60	51	9	18

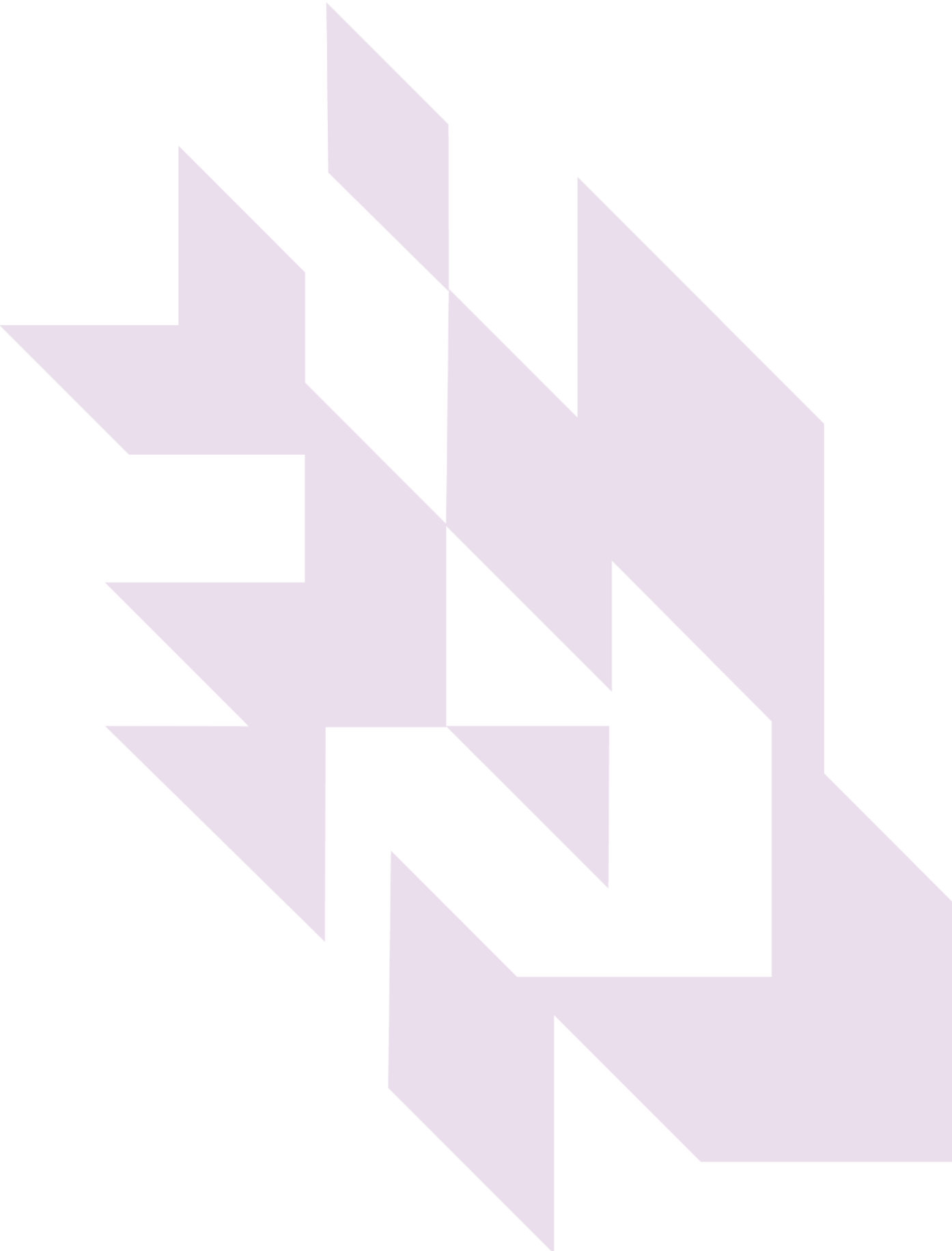
* Assumes the provider recycles none.



Susan Lapworth
Interim Chief Executive and Accounting Officer 20 June 2022

⁸⁴ See www.gov.uk/government/publications/25-year-environment-plan

Accountability report



Accountability report

Corporate governance report

This report covers the operating period from 1 April 2021 to 31 March 2022, to the point of the signing of the Annual report and accounts by the accounting officer. It describes the composition and organisation of our governance structures and the arrangements we put in place for good corporate governance to support the delivery of our objectives.

Directors' report

The chair of the OfS during the year under review was James Wharton (Lord Wharton of Yarm). The chief executive was Nicola Dandridge until 30 April 2022. Susan Lapworth became interim chief executive and Accounting Officer with effect from 1 May 2022. The directors of the OfS in this context comprise the chief executive and Director for Fair Access and Participation and the non-executive board members.

The composition of the OfS board, the terms of office of members and their current interests are below. More detailed biographies of board members are available on our website.⁸⁵

Executive members who served during the year were as follows:

Nicola Dandridge was appointed as the first chief executive of the OfS in 2017, taking up her role in September 2017 for a term of office to December 2021, which was extended until 30 April 2022. Prior to joining the OfS, Nicola was chief executive of Universities UK, the representative organisation for the UK's universities.

Chris Millward, Director for Fair Access and Participation, was appointed in January 2018 for a term of office to December 2021. He was previously director of policy at the Higher Education Funding Council for England.

John Blake, Director for Fair Access and Participation, was appointed in January 2022 for a term of office to December 2025. Previously he led on policy and political issues related to schools, education, and wider social impact for the Ark chain of academies. This followed education policy and teaching roles.

Non-executive board members who served during the year (including terms of office) were:

Martin Coleman (July 2017 to June 2022, reappointed to June 2025). Martin is deputy chair of the OfS board and chairs the Provider Risk Committee. Martin is also a member of the Competition and Markets Authority Board and chairs the CMA panel whose members investigate markets and mergers.

Gurpreet Dehal (July 2017 to July 2021). Gurpreet is a trustee of the multi-academy trust E-ACT and an independent member of Khalsa Academies Trust. He also holds non-executive positions in the defence and finance sectors.

Elizabeth Fagan (January 2018 to December 2021, reappointed to December 2024). Elizabeth is currently chair at the D2N2 local enterprise partnership, the local enterprise partnership for

⁸⁵ See www.officeforstudents.org.uk/about/who-we-are/our-board-and-committees/.

Derbyshire and Nottinghamshire, and a non-executive director of pooling solutions company Brambles Limited.

Katja Hall (January 2018 to December 2022, reappointed to December 2025). Katja is currently the Interim Director of Corporate Affairs at ASOS. Until recently she was Chief Corporate Affairs and Marketing Director at Capita, responsible for all internal and external communications, including employee engagement and public affairs.

Verity Hancock (February 2019 to January 2024). Verity is Principal of Leicester College. She holds several public appointments, including as Chair of the Student Loans Company's Advanced Learning Loans Stakeholder Group and a board member of the Leicester and Leicestershire Enterprise Partnership.

Rachel Houchen (March 2022 to March 2025). Rachel has a background in education. Until recently she was Assistant Headteacher at Conyers School in Stockton-on Tees.

Kathryn King (February 2019 to January 2024). Kathryn is a full-time PhD doctoral research student in the Faculty of Music at the University of Oxford. Prior to that Kathryn was Chief Legal Ombudsman for England and Wales. She is also a lay member of the Bar Tribunals and Adjudication Services.

Kate Lander (July 2017 to June 2022, reappointed to June 2025). Kate chairs the Risk and Audit Committee. Kate is Chief Executive Officer of Ivy House London, a company that delivers professional and personal development to young talent.

Simon Levine (January 2018 to December 2020 and reappointed to December 2023). Simon chairs the Quality Assessment Committee. He is the managing partner and co-global chief executive officer of the global law firm DLA Piper, and is a visiting professor and lecturer at Imperial College Business School.

Martha Longdon (October 2018 to September 2021, reappointed to December 2022). Martha chairs the OfS student panel. Martha is a PhD doctoral research student in biosciences at Nottingham Trent University, having previously been awarded a MSc in neuropharmacology at that university. She was students' union president there in 2017-18.

Dr Dayo Olukoshi (March 2022 to March 2025). Dayo is the Principal of Brampton Manor Academy and Executive Principal and CEO of Brampton Manor Trust. He has held various leadership positions in education: Head of Science; Deputy Headteacher; Ofsted Inspector and National Leader of Education.

David Palfreyman (July 2017 to December 2020, reappointed to December 2023). David is the bursar and a fellow of New College, University of Oxford. He is also the director of the Oxford Centre for Higher Education Policy Studies, a council member and trustee as honorary treasurer of the Society for Research into Higher Education, and is the author of several publications on higher education.

Monisha Shah (January 2018 to December 2022). Monisha is chair of the OfS Remuneration and Nominations Committee. Monisha is the former Chair of Rose Bruford College of Theatre and Performance. She holds several public appointments, including as a member of the Ofcom Content Board, a senior member of the Arts and Humanities Research Council, and a lay member of the Queen's Counsel appointments panel.

Professor Steve West (July 2017 to May 2021). Steve has been Vice-Chancellor of the University of the West of England, Bristol, since 2008. He holds several regional, national, and international advisory appointments in higher education and in healthcare policy and practice.

Register of interests

We have strict guidelines on conflicts of interest and recognise that any actual or perceived conflict of interest could relate to either the operations of the OfS or the role of the OfS as a regulator of higher education providers. Guidance is set out in the document of board proceedings and code of conduct.⁸⁶

Members of our senior team, our chair, and other board and committee members complete and update their declaration of interests, and registers of interest are available on our website.

Members declare interests on agenda items at the start of every board and committee meeting and are periodically reminded to review the interests we hold on our register to ensure that they are current.

Guidance is provided to OfS staff in relation to procuring goods and services and disclosing higher education provider interests or any other relevant interests, and the acceptance of gifts and hospitality.

Personal data incidents

During the accounting period, we were not required to make a notification to the Information Commissioner's Office, either as a data controller or a third party.

Other disclosures

Some disclosures required within the directors' report are included elsewhere in the annual report, such as the Remuneration and staff report. Future developments affecting our business are discussed in the Performance report.

Statement of Accounting Officer's responsibilities

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the OfS's assets, are set out in *Managing Public Money*, published by the HM Treasury.

During the operating year to 31 March 2022, my predecessor as Accounting Officer, Nicola Dandridge, was accountable to the Secretary of State for the Department for Education and the Permanent Secretary of DfE as its Accounting Officer in respect of responsibility for maintaining sound systems of governance, risk management and internal control for the OfS. The Permanent Secretary of the DfE appointed me, Susan Lapworth, as Accounting Office of the OfS on 1 May 2022. As Accounting Officer, and working with the OfS board, I am responsible for maintaining sound systems of management and internal control for the OfS, and to enable the preparation of the financial statements to be free from material misstatement, whether due to fraud or error, and am responsible for assessing the Office for Students' ability to continue as a going concern, disclosing, as applicable, matters related to going concern.

⁸⁶ See www.officeforstudents.org.uk/about/who-we-are/our-board-and-committees/.

I am responsible for using the public funds and assets assigned to the OfS economically, efficiently, and effectively. I acknowledge my responsibilities in respect of the funds provided to the OfS, which are allocated to providers of higher education and others for education and associated purposes.

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the OfS's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware. Under HERA, Schedule 1, paragraph 13, the OfS is required to prepare accounts for each financial period, in conformity with the Secretary of State for Education's Accounts Direction, detailing the resources required, held, or disposed of during the period and the use of resources by the OfS during the period, including recurrent and non-recurrent programme funding to institutions and administration costs. The resource accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the OfS and of its income and expenditure, changes in taxpayers' equity and cashflows for the financial period. In preparing the accounts, as Accounting Officer I am required to comply with the requirements of the government financial reporting manual and to:

Observe all relevant accounting and disclosure requirements and apply suitable accounting policies on a consistent basis.

Make judgments and estimates on a reasonable basis.

State whether applicable accounting standards, as set out in the 'Government Financial Reporting Manual', have been followed, and disclose and explain any material departures in the accounts; and prepare the financial statements on a going concern basis.

I confirm that the annual report and accounts as a whole is fair, balanced and understandable, and that I take personal responsibility for the annual report and accounts and the judgments required for determining that it is fair, balanced and understandable.

Governance statement

This section describes the governance arrangements in place during financial year 2021-22, and to the date of the approval of the annual report and accounts.

The OfS is an executive non-departmental public body under the sponsorship of the DfE. Our governance structure is designed to fulfil effective decision-making in relation to the regulation of higher education in England and for the effective management and oversight of the OfS. The framework for corporate governance and control supports robust oversight and allows for adaption to changes in the external and internal environment.

The OfS board

The OfS board comprises the chair, chief executive, an additional executive director – the Director for Fair Access and Participation – and at least seven and no more than 12 non-executive members, who are appointed by the Secretary of State for Education. Members have a wide range of backgrounds, skills and expertise, and include a student representative.

The board has established four committees of the board, which comprise board members and independent members. Committee members' biographies are available on our website.⁸⁷



The scheme of delegation allows for the establishment of committees of the board to take decisions on behalf of the board, and there was occasion to use this provision this year.

The standards and arrangements through which the OfS board conducts its business are detailed in the 'Approach to Corporate Governance' and 'Board proceedings and code of conduct'.⁸⁸ In establishing our governance arrangements, we applied the principles of the Central Government Corporate Governance Code and we comply with the code (to the extent that it is relevant to the OfS as a non-departmental public body).

As the regulator for students, we are advised by a student panel. Our student engagement team works closely with the panel to support it to have an influence on our work.

The board is assured of the OfS's data quality and assurance processes through the internal audit programme. A review of the effectiveness of our board was carried out through a questionnaire in January 2022. (This followed a more intensive review carried out by the OfS's internal auditors in the preceding year). The survey outcomes were presented to the board in March 2022 and there was discussion of the responses.

The survey outcomes were mainly positive and largely consistent with the external review last year. Board members confirmed they were clear about the role of the board and its objectives.

⁸⁷ See www.officeforstudents.org.uk/about/who-we-are/our-board-and-committees/.

⁸⁸ Available at www.officeforstudents.org.uk/about/who-we-are/our-board-and-committees/.

Members confirmed that they have the information needed to carry out work effectively and facilitate complex judgements.

Benchmarking work against other similar boards was proposed and agreed. Actions identified to be taken forward to improve effectiveness included benchmarking work against other similar boards, and more engagement with a broader range of external stakeholders. The board also considered whether enough time at board meeting was spent on 'future possible' events.

Organisational structure and decision-making

The OfS's scheme of delegation is based on a reserved powers model. It sets out how our functions are exercised, and decisions are delegated to the appropriate level.

The executive leadership team are the chief executive, the Director for Fair Access and Participation and the other directors. They form the directors' group, which provides executive management and governance of our operations and delivery. During this period, to provide continuity during a period of change of senior management, a wider group of senior staff attended directors group, but it was clear throughout which members were decision-makers and which attended in an advisory capacity.

The business plan and objectives are delivered through an organisational structure aligned to five executive directorates, although about 40 per cent of work is cross-directorate in nature. The Performance Report includes a diagram setting out the directorate structure.

Meetings attended by OfS board members

	OfS board ^a	Risk and Audit Committee	Provider Risk Committee ^b	Quality Assessment Committee	Remuneration and Nominations Committee
Lord Wharton of Yarm Chair	7/7				2/2
John Blake*	2/2				
Martin Coleman Deputy chair	7/7		6/6		
Nicola Dandridge	7/7				
Gurpreet Dehal **	3/3	2/2			
Elizabeth Fagan	6/7		5/6		
Katja Hall	6/7	4/4			

Verity Hancock	7/7				
Rachel Houchen***	1/1				
Kathryn King	7/7		5/6		
Kate Lander	7/7	4/4			
Simon Levine	7/7			3/3	
Martha Longdon	7/7				2/2
Chris Millward****	5/5				
Dayo Olukoshi***	1/1				
David Palfreyman	6/7				
Monisha Shah	6/7			3/3	2/2
Professor Steve West*****	2/2				

^a The April 2021 meeting of the board was an exceptional meeting.

^b The Provider Risk Committee had occasion to come together on other occasions throughout the year to discuss urgent cases. The committee was quorate whenever decisions were made.

* Joined OfS in January 2022

**Resigned from the board July 2021

*** Joined the board May 2022

**** Left the OfS December 2021

***** Resigned from the board May 2021

Governance framework

HERA sets out the OfS's general duties and requirements to have regard to certain matters in the performance of its functions.

We must have regard to the OfS's regulatory framework. This is composed of five parts:

- Part I: The OfS's risk-based approach
- Part II: Sector level regulation

- Part III: Regulation of individual providers
- Part IV: Validation, degree awarding powers and university title
- Part V: Guidance on the general ongoing conditions of registration.⁸⁹

A framework document drawn up by the DfE in consultation with the OfS sets out the broad framework for operations, including the core elements of the relationship with our sponsor government department, and governance arrangements.⁹⁰

In performing our functions, we must have regard to any guidance given by the Secretary of State on the government's priorities and the work it expects the organisation to carry out. In this operating period, the OfS received eight letters of guidance.

In his July 2021 letter, the former Secretary of State gave guidance and set the terms and conditions for the allocation by OfS of Strategic Priorities Grant funding for the 2021-22 Academic Year under section 2(3) of the Higher Education and Research Act 2017, and terms and conditions of funding under section 74(1) of that Act.

The Secretary of State's guidance letter of December 2021 on the future of access and participation signalled a wish to change the focus in the OfS's work, from universities and colleges addressing inequalities in their own intake to working with schools to raise attainment more broadly and supporting more diverse routes through higher education. In the early part of 2022, we developed our response, providing an overview of our access and participation regulatory requirements and expectations for 2022, ahead of publishing guidance in this area in April 2022.

On 31 March 2022 the Secretary of State provided guidance to the OfS about strategic priorities for the 2022-23 operating year and guidance on the higher education strategic priorities grant.

Strategic and business planning

The OfS's first strategic plan for the period 2018-2021 was extended by a further year in response to the disruption of the pandemic. We used the 2021-22 operating period to develop our strategy for the next period 2022-2025. A consultation on our next strategy was published in November 2021. The draft strategy covered our objectives and goals for the period, how we intend to deliver them, and the consultation proposed a minor addition to the regulatory framework.⁹¹ The twin focus of the 2022-25 strategy is on quality and standards and equality of opportunity. We see them as complementary activities. Not only is access to university for disadvantaged students important, but all students must receive the teaching and support they need to thrive in higher education and succeed after graduation. The strategy also makes clear our commitment to principles-based regulation to reduce regulatory burden. Following consideration of consultation responses, the final 2022-25 strategy was launched at a parliamentary event in March 2022.

⁸⁹ Our conditions of registration were revised during this operating year. See www.officeforstudents.org.uk/advice-and-guidance/regulation/registration-with-the-ofs-a-guide/changes-to-the-conditions-of-registration/.

⁹⁰ <https://hub.officeforstudents.org.uk/about-ofs/how-we-are-run/>.

⁹¹ See www.officeforstudents.org.uk/publications/consultation-on-ofs-strategy-for-2022-25/.

Each quarter, the directors group holds a dedicated and in-depth business plan review session that enables joined up discussions about the organisational score card; activity-level progress within the business plan; strategic risks; technology issues; staff resource; and financial position.⁹² Our PMO completes six-weekly updates on progress of the business plan, and three weekly updates on priority areas of activity that reports to directors' group. The PMO plays an important role in tracking cross-directorate activity and manages temporary staff.

An internal audit this year considered the translation of the current OfS strategy into the annual business plan. The findings noted the impact of significant change during the pandemic on the embedding of business planning processes. It was recommended that the prioritisation framework could be more structured to avoid a differential approach between work areas, and there was a need for greater resource planning to look across the whole organisation. More recently, our internal auditors noted that the OfS is developing a more consistent approach to resourcing. We produced a business plan for 2022-23, which was published in April 2022. To mitigate the risk of over-commitment we tested the plan thoroughly against our resource envelope and determining the priority of projects. Only those projects approved by directors' group may proceed, although there is scope for the business plan to flex should priorities change.

Consideration of the impact of COVID-19 on providers in our business planning

Our guidance on reportable events during the pandemic was in place until 1 January 2022. Following a consultation, revised guidance came into effect about the circumstances requiring providers to make a report.

When the Omicron variant of COVID-19 emerged towards the end of 2021, we:

- Undertook scenario planning work in relation to internal and regulatory responses linked to government announcements.
- Considered the possible impact on work on financial sustainability, admissions, and assessment.
- Considered whether we needed to adjust our regulatory response. We concluded that it was appropriate to continue with the agreed approach to reportable events and our consultation on quality and standards, as providers had experience of delivering for some time during the pandemic and were generally able to carry out their usual educational and commercial activities under government guidelines.

OfS business continuity during the pandemic

There were staff capacity challenges at several points in the year requiring the directors' group to reprioritise work and resource. Human resources policy guidance on dealing with coronavirus remained in place throughout the year. It allows for managers to be flexible in accommodating different working arrangements.

Our offices in Bristol and London were open throughout the period to staff who might be facing a particularly challenging home working environment. COVID-secure arrangements were in place for our offices. Our Ways of Working Steering Group oversaw a planned trial of hybrid working for all staff. In preparation for this, from autumn 2021 a limited number of staff tested the arrangements in

⁹² An organisational score card includes selected internal performance indicators to support understanding of progress and achievement of goals.

a pilot phase, while office layouts were revised to provide more space for collaborative working, and there was an option of more distanced space for those who wanted to work in the office but did not wish to be part of the pilot. The trial of hybrid working for all staff was delayed because of the emergence of the Omicron variant late in 2021, but began in April 2022.

Throughout the period, there were regular review of lessons learnt in the pilot project and regular updates to staff about the status of the 'all staff' trial.

Government functional standards

During 2020 and 2021 the Cabinet Office published a suite of functional standards setting expectations for the consistent management of functions (and functional standards) across government.⁹³ The standards are mandated for use by central government but may be used by other public bodies. The functional standards guidance notes that for arm's length bodies (such as the OfS) the application of the standards should be proportionate to the scale and complexity of the work. We substantially comply with the standards except where they are not applicable to our context, or compliance to all aspects of a standard may not be cost-effective.

Health and safety

Our Health, Safety and Environment committee meets quarterly. This year an incident was reported to the Health and Safety Executive under Reporting of Injuries, Diseases and Dangerous Occurrences Regulations, in relation to an electrical incident while a member of staff was working at home. Although the outcome of this incident was not serious, it was investigated. No clear cause was found. As a precaution, some OfS-provided equipment was recalled from a small number of staff, and the manufacturer was informed. One further Reporting of Injuries, Diseases and Dangerous Occurrences Regulation report was made to the Health and Safety Executive regarding a member of staff diagnosed with tenosynovitis (considered to be an occupational disease): this colleague received specialist support to return to work safely.

Late in 2021 we commissioned advice from external specialists to help us plan our approach to increasing capacity in our offices as the COVID pandemic continued. Their report, finalised in January 2022, noted no immediate or urgent issues to resolve, and set out recommendations for consideration as we planned our introduction of hybrid working. Representatives of the Public and Commercial Services Union contributed to our consideration of the implementation of hybrid working.

Financial management, system, and control

There are monthly financial reports to directors' group, and quarterly reports to the board.

The board receives assurance about processes and controls in our core systems through the internal audit programme. A framework of controls is built into routine financial and human resources processes managed through our Enterprise Resource Management system, and an internal audit in 2020 provided significant assurance that our systems are optimised for remote working. An internal audit report on Budgetary controls and financial controls in December 2021 had a rating of 'Significant assurance with minor improvement opportunities'.

This year there was investment in software to provide more efficient management and reporting of forecasts and budgets across the organisation. An internal audit on Data processing and controls

⁹³ See <https://www.gov.uk/government/collections/functional-standards>.

in relation to grant funding provided significant assurance. The review highlighted areas of good practice and some areas where efficiency could be improved.

An internal audit on procurement processes and controls identified the need for improvements. This was based on an assessment of the completeness of contract documentation in the electronic system. Contract managers were reminded of procurement thresholds and their responsibilities to ensure that complete documentation is uploaded into our contract management portal, and offered training on all aspects of contract management. These sessions run on a quarterly basis.

The Risk and Audit Committee considered value for money assurance at its meeting in May 2022, at which time the committee agreed that there was sufficient assurance over the control process within the OfS in support of the committee's annual opinion on value for money in 2021-22.

Cyber strategy

We are committed to good cyber security practices, and in autumn 2021, renewed our Cyber Essentials and Cyber Essential Plus accreditation. Our vulnerability management programme is showing progress, although there is still work to do. We purchased a next generation security monitoring system that allows us to achieve the most visibility we have ever had of cyber threats and to secure our current services and future cloud services and procured a managed cyber security service to partner and monitor the OfS 24-7.

There was an internal audit review of IT patching and backup. No significant issues arose from this work and the Risk and Audit Committee was advised it could take assurance that effective controls were in place.

Information security policies and procedures apply to OfS staff and contractors and, when followed, provide a level of mitigation against information security risks. We seek to achieve an appropriately balanced level of security that ensures legal compliance, minimises risk, and enables staff to do their work securely and effectively. There is ongoing engagement with staff to alert them to how the General Data Protection Regulation affects us personally and professionally, and how compliance will help to mitigate a data breach. Actual and potential security incidents are reported to our Information Security and Data Privacy Group.

There are ongoing staff awareness activities primarily focused on cyber threats such as mandate fraud and phishing, including a simulated phishing attack. Following the exercise, a new compulsory learning module on the Fundamentals of IT Security was launched on our electronic learning system and completed by all staff.

A small number of information incidents were reported to the Risk and Audit Committee during the year. None involved a personal data breach such as to require the OfS to report it to the Information Commissioner's Office.

Risk management systems and responsibilities

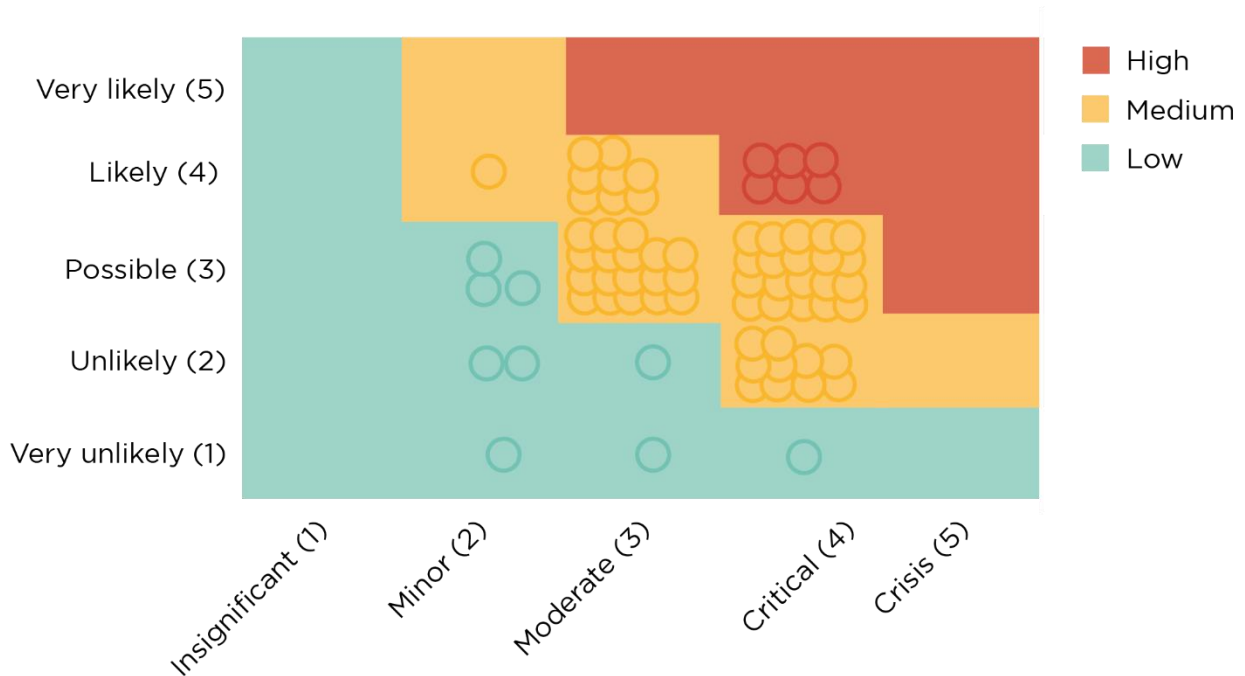
As the regulator of higher education in England, the OfS works within a complex policy and political environment. The main risks we faced in this operating year are set out in the Performance report (see page 63). We promote a culture of ownership of risks, and each strategic risk is owned by the chief executive or a director.

Our risk management systems have been in place for the year under review and up to the date of approval of the annual report and accounts, providing assurance to the OfS board, Risk and Audit Committee and senior leadership team that the risks to achieving our objectives are being effectively identified and managed, and that associated roles and responsibilities are understood.

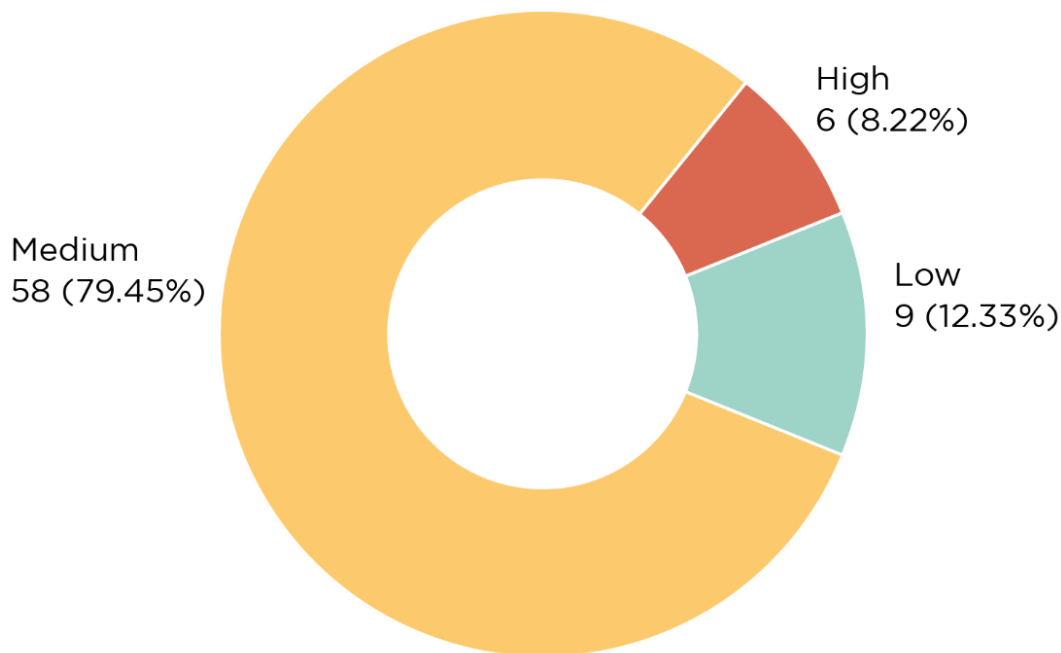
Our risk management policy ensures consistency in our approach to risk. This includes:

- Regular discussion of risk at the directors' group and at management level, and at the board and Risk and Audit Committee, of the most significant risks, and a programme of 'deep-dive' discussions of risks at the Risk and Audit Committee. This drives mitigating actions to reduce the level of risk in line with the risk appetite.
- Continued capability building to embed risk management concepts into everyday business and develop maturity in our risk management culture. Our use of a risk management application ensures transparency and consistency in the management of risks. Staff in all directorates are offered training and support to develop capability and skills in working with our risk management system, ensuring that there are regular updates across strategic, corporate, and operational risks, and encouraging fuller reporting of mitigating actions.

Risks are assessed according to a matrix of impact and likelihood, on a five-point scale. The chart below shows how our risks are distributed using this matrix. Our risk management response, the level of governance, control, and mitigation we put in place, reflect the severity of the assessed risk.



The chart below shows the proportion of risks categorised as high, medium, and low.



Compared with the position at the end of the previous operating year, we are reporting fewer enterprise-level risks (73 now compared with 92 at the end of last year). However, the proportion of risks identified as high, medium, and low remains similar to that reported in last year's report.

An internal review in January 2022 focused on how the risk register is being used from a strategic perspective as well as consideration of areas of good practice and lessons to be learnt. It considered the processes and controls around action timescales and causes of missed deadlines.

At its February and May 2022 meetings the Risk and Audit Committee considered the strategic risks that align with the OfS's second strategic plan for the period 2022-23 to 2024-25, and issues of risk tolerance and appetite. The committee provided advice to the board at its May 2022 meeting on the same issues.

National Audit Office report on regulating the financial sustainability of higher education providers

An NAO study examined how well the DfE and the OfS are protecting students' and taxpayers' interests in England from risk to higher education providers' financial sustainability by managing systemic risks. We welcomed the NAO's acknowledgement of the OfS's good use of financial data, analysing it in a systematic way to identify which providers require closer scrutiny. We are reflecting on the NAO's recommendations.

In its report, the NAO noted that the OfS does not yet have a complete and transparent set of performance measures to demonstrate its own performance as a regulator. The OfS sets out on its website the measures against which it intends to assess how well it is performing its regulatory functions and whether it is delivering value for money. Out of 26 indicators, eight are still in development or have incomplete performance information, and a further 11 indicators do not yet have associated targets.

The NAO recommended that our KPMs should be reviewed and improved 'to include measures of the impact of the regulatory regime, rather than measures outside the OfS's control'. We are reviewing the measures, which will align with our new strategy for 2022-25. As part of this we are seeking to select a more manageable number of indicators, and rather than setting targets, our measures will indicate the required direction of travel.

The report was considered by the Public Accounts Committee in March 2022, at which the OfS chief executive and the DfE permanent secretary gave evidence.

Education Select Committee

The chief executive and the DfE permanent secretary gave evidence in March 2022 at an Education Select Committee, discussing a wide range of issues, including the impact of the pandemic on universities and colleges, and our activities as a regulator, blended learning, and free speech, academic freedom and antisemitism.

Equal opportunities and diversity

Under Section 149 of the Equality Act 2010, all public authorities must, in the exercise of their public functions, 'have due regard to the need to' eliminate conduct that is prohibited by the Act. Such conduct includes discrimination, harassment and victimisation related to protected characteristics.

The public sector equality duty also requires public authorities to have due regard to the need to advance equality of opportunity and foster good relations between persons who share a protected characteristic and persons who do not. The general duty applies to the OfS as a regulator and employer.

As the OfS regulates the universities and colleges in England in the interest of students, equality and diversity objectives and priorities relating to the higher education sector are part of the OfS strategy. Our equality and diversity statement and action plan for 2019 to 2022 addresses both sector-focused and internal objectives. The directors' group has oversight of our equality, diversity and inclusion (EDI) programme of work, and we publish EDI data on our website.⁹⁴

To ensure work considers the impact of the activity in terms of EDI, the OfS has a 'Making inclusive decisions' framework and process. The process of completing this assessment facilitates our reflection on EDI matters when making developing our regulatory approach, and helps to embed EDI in the culture of the OfS.

Counter fraud

The Counter Fraud Oversight Group meets quarterly to discuss delivery, action plans and performance against Cabinet Office's Functional Standards for Counter Fraud.⁹⁵ The Counter Fraud Strategy was most recently approved in May 2021 but our assessment of the overall risk of fraud is regularly reviewed with a revised action plan to address new areas as they are identified. Staff awareness sessions focus on threats such as phishing and mandate fraud. Fraud risk assessments were undertaken for all grant funding streams over £100,000 this year.

We report performance against the Cabinet Office's functional standards annually to the Risk and Audit Committee and to the DfE Counter Fraud team. While we substantially comply with these standards, we assess whether compliance with all standards represents good value for money, as overall our assessment is that the fraud risk of the organisation is low.

Producer of Official Statistics

We are a producer of Official Statistics, and we comply with the Code of Practice for statistics, which sets out a framework to ensure that statistics are trustworthy, high quality and of public

⁹⁴ See www.officeforstudents.org.uk/about/equality-and-diversity/.

⁹⁵ See <https://www.gov.uk/government/publications/government-functional-standard-govs-013-counter-fraud>.

value.⁹⁶ We look to apply the principles of the code to all the statistics that we produce, whether they are Official Statistics or not.

In this operating year we reported one breach to the UK Statistics Authority in November 2021: an OfS board paper containing data from 2019-20 access and participation plan monitoring was inadvertently published on our website before the official statistics release.

Role as principal regulator under the Charities Act 2011

Under the Charities Act 2011, the OfS is the principal regulator of the exempt charities that are higher education providers for which the OfS is the primary regulator – this includes connected charities of those exempt charities.

During 2021 we met quarterly with the Charity Commission for England and Wales (CCEW) to discuss matters of mutual interest, in terms of both case work and policy related work, such as the interface between OfS and CCEW in relation to the Freedom of Speech Bill.

The OfS discharges its ‘compliance objective’ under charity law by:

- Making information available to providers about changes to the charity law obligations that apply to exempt charities.
- Promoting compliance with charity law by sharing with providers relevant guidance from CCEW and the fundraising regulator.
- Notifying CCEW if the OfS has concerns about a breach of charity law or other misconduct or mismanagement in the administration of a provider that is an exempt charity, or if it becomes aware of any other matter in which CCEW has a regulatory interest.

Working with the designated bodies

HERA makes provision for the OfS to work with two designated bodies: one performs quality assessment functions and the other performs information functions.

The **Quality Assurance Agency for Higher Education** is the designated quality body (DQB) for higher education in England, to perform the assessment functions in relation to quality and standards in English higher education required under paragraph 3 of Schedule 4 to HERA. A formal designation agreement sets out the respective obligations of the OfS and the QAA.

We gathered evidence on the performance of the DQB to inform the triennial report we are required by HERA to complete and submit to the Secretary of State. The timetable was delayed by the pandemic and the report therefore also reflects on year four.

The performance of the DQB was closely monitored by the Quality Assessment Committee throughout the year under review.

The **Higher Education Statistics Agency** is the designated data body (DDB). We work closely with the DDB, combining its expertise in data collection and dissemination with ours to ensure that activities are as efficient and effective as possible.

The triennial report on HESA was delayed by the pandemic and will now be aligned with consideration of the appointment of a replacement DDB given the possible merger of Jisc and HESA in autumn 2022. Such a merger would mean that HESA would no longer exist, and it is not possible to transfer designation between bodies. In February 2022 we began the process that

⁹⁶ <https://code.statisticsauthority.gov.uk/>.

would be necessary to appoint a new body in advance of HESA relinquishing its current status, by inviting expressions of interest in becoming the DDB.

The OfS inherited from predecessor bodies a commitment to fund Data Futures, a sector-wide transformation programme, led by HESA, with Jisc as the technical delivery partner. Due to earlier delivery difficulties, the OfS board and its Risk and Audit Committee pay close attention to the progress of the programme and its governance oversight.

In December 2021 the OfS launched its consultation on Data Futures and data collection. This sought views on how the OfS can ensure it has the data required to perform its functions, while minimising the regulatory burden associated with collecting that data. It focuses on how HESA, as the DDB, should take forward the Data Futures programme of work. The consultation closed in February 2022.

The board received a report on progress of Data Futures at its meeting in December 2021 and considered the risks to be identified and adequately managed. It agreed funding of £2.7 million for the period up until October 2023, with the release of funds subject to scrutiny of agreed milestones for delivery.

Towards the end of the operating year, the beta version of data futures was launched, and there was positive engagement from many providers who submitted test data to HESA.

Steps were taken to ensure that all intellectual property developed through grant funding is available for royalty-free use by any entity exercising the HERA designated data body duties, or performing similar functions in the devolved administrations.

UK Research and Innovation

Consistent with the principles of better regulation whereby public bodies rely on each other's systems of oversight and assurance, UKRI relies on the OfS's regulation of English higher education providers receiving research funding, and depends on the judgements and decision the OfS makes as a regulator of providers in England. This does not extend to assurances about the specific terms of conditions of UKRI's grant.

The OfS accounting officer wrote to the UKRI Accounting Officer in providing assurance over the regularity of expenditure of UKRI grant funding to certain higher education providers. Written assurance is provided on the work that we carried out to gain assurance over a provider's arrangements for financial sustainability, risk management, internal control, governance, and value for money.

Several strategic areas for co-operation between the OfS and UKRI were identified during the passage of HERA 2017 including:

- the skills and talent pipeline
- infrastructure funding
- the financial sustainability of higher education providers
- accountability and assurance
- evidence gathering
- the Research Excellence Framework
- the Teaching Excellence and Student Outcomes Framework

- the Knowledge Exchange Framework.

Joint activity during this operating period included:

- Assessment of bids and funding of projects to improve access and participation for black, Asian and minority ethnic postgraduate research students.
- Determining Higher Education Innovation Fund allocations for the 2021-22 academic year.
- Working to deliver reforms to HEIF and the Higher Education Business and Community Interaction survey to ensure student participation in knowledge exchange is measurable
- Delivering a joint funding programme to gather evidence on the benefits to students and graduates of participating in knowledge exchange activities
- Work on the review of the Transparent Approach to Costing through membership of the UK Higher Education Regulators and Funders Group.
- Liaison on matters concerning research degree awarding powers.
- Sharing of lessons learned in technology transition as the OfS moves towards operating cloud-based analytical services in a new programming environment, and prepares to cease providing some analytical tools and support services to UKRI-Research England.

We engage with the funding bodies of the devolved administrations on agendas of shared interest. These include data informing prospective students' choices, the National Student Survey, the Data Futures Programme, and joint areas of interest in financial sustainability.

Education and Skills Funding Agency

Over 155 further education colleges or sixth form colleges provide some higher education courses and are registered with the OfS. Where a provider is a further education college or sixth form college under the financial regulation of the ESFA, the provider submits its data (including financial information) to the ESFA rather than the OfS. Section 63 of HERA allows the OfS to cooperate with and share information with the ESFA for the purposes of performing a function of the OfS, so that OfS may understand the financial viability and sustainability of these providers. We also share information with the ESFA for the performance of its functions under Section 78 of HERA. There is an annual exchange of letters in relation to assurance that public money is being used for the purposes intended.

Other collaborations

We also engage and collaborate with organisations where we share regulatory interests such as **The Institute for Apprenticeships and Technical Education** and **Ofsted** on the regulation of degree apprenticeships and higher technical qualifications and relevant Professional Statutory and Regulatory bodies.

We work with the **Department of Health and Social Care** and **Health Education England** to determine the intake of students to medical and dental programmes.

Opinion of the Head of Internal Audit

The work of the OfS's internal auditors, KPMG LLP, included: data processing and controls in relation to funding; IT patching and backup; procurement; the OfS's approach to business planning; budgetary control; learning and development and risk management.

Across all reviews, a total of 51 management actions were raised, of which two were high priority, 17 were medium and 32 were low priority.

In a review of procurement review KPMG identified one priority finding in respect to the completeness of records and the identification of a contract which had not been procured through the formal tender process. The other high priority finding was identified in the human resources learning and development review relating to the monitoring of mandatory learning. An agreed action is in place to address the risk identified and will be reviewed as part of follow-up testing in 2022-23.

Based on his work throughout the year, the Head of Internal Audit has provided a formal opinion on the adequacy of risk management, control, and governance processes at the OfS.

The basis for forming the opinion was as follows:

- a. An assessment of the design and operation of the underpinning Assurance Framework and supporting process.
- b. An assessment of the range of individual assurances arising from risk-based internal audit assignments that have been reported throughout the period. This assessment has taken account of the relative materiality of these areas.

The assurance framework reflects the OfS's key objectives and risks and is regularly reviewed. The executive considers six-weekly updates on progress of the business plan, and three weekly updates on priority areas of activity, including associated risks. There is also a quarterly in-depth review of business plan progress and risks. The Risk and Audit Committee reviews whether the OfS's risk management and procedures are operating effectively.

The overall opinion for the period 1 April 2021 to 31 March 2022 was significant assurance with minor improvement opportunities in the areas considered in the scope of work.

Formal opinion of the Risk and Audit Committee

Given the opinions of both the Head of Internal Audit and the NAO as expressed in their annual reports, and the other information available to us from our work during the year, the Risk and Audit Committee can provide the OfS interim chief executive, as Accounting Officer, with reasonable assurance that the OfS's processes relating to corporate governance, risk management and internal control are working satisfactorily.

We recognise that the risks facing the OfS are changing but continue to be significant. Through our process of deep dives we obtained a deeper understanding of the key risks and have a reasonable level of confidence that these are being managed appropriately.

We are satisfied with the quality of the work provided by Internal Audit and with the services of the NAO. Through this work, we are able to take a measured view and receive assurance on the quality and effectiveness of financial reporting and internal control within the OfS.

In respect of our own performance, we consider that the committee has worked effectively with Internal Audit to ensure the focus of our work is relevant to the risks facing the OfS and we have challenged appropriately. We have supported the chief executive and management in their work and offered constructive challenge where required. In carrying out these activities, we believe we have fully discharged our responsibilities.

This opinion is intended to give reasonable rather than absolute assurance of effective controls. It informs the interim chief executive's governance statement.

Notifications

The OfS operates a process intended for students, staff and other people who wish to notify us of a matter that may be of regulatory interest to us (see page 23).

Complaints

There is a formal process for complaints against the OfS in relation to the service we provide, our staff's behaviour, and whether we followed appropriate procedures.⁹⁷ This year we recorded fewer formal complaints than last year because at an earlier point of the process we took a view about whether they were beyond the scope of our complaints policy, redirecting to the public enquiries team or to the monitoring and interventions team as appropriate.

We received 16 formal complaints against the OfS this year via our complaints email address, but only nine came within the scope of the complaints policy. Two complaints were fully upheld, and two were partially upheld.

Internal whistleblowing

We have a formal whistleblowing policy that provides several routes for staff to make disclosure, including externally to the DfE and the NAO. During this period no internal disclosures were made, and we are not aware of any external disclosures.

Information rights

We received 94 Freedom of information requests (FOI) this year, of which 95 per cent were responded to within 20 working days following receipt. This compares with 83 requests in the preceding year (90 per cent were responded to within 20 working days).

The largest number of FOIs relate to our regulatory work (approximately 24 per cent of FOI requests), and Data Foresight and Analysis directorate business (24 per cent of FOI requests). The remainder of FOIs related to a variety of business areas, including questions on our contracts.

There were four requests for internal FOI appeals relating to provider information, and data and analysis information. One of the internal appeals progressed to an appeal to the Information Commissioner's Office, but the outcome is not yet determined.

We received seven subject access requests and three erasure requests, under data protection legislation.

Parliamentary and Health Services Ombudsman

No complaints about the OfS's activities were referred to the Parliamentary and Health Services Ombudsman this year.

⁹⁷ See www.officeforstudents.org.uk/for-students/ofs-and-students/complaints/complaints-against-the-ofs/.

Better regulation

When performing our functions, we must have regard to our general duties in HERA 2017.⁹⁸ The ones that are particularly relevant to 'better regulation' and reducing regulatory burdens on providers are:

- protecting providers' institutional autonomy
- using our resources efficiently, effectively, and economically
- the principles of best regulatory practice
- transparency, accountability, proportionality, and consistency
- targeting regulation only where needed.

We are required to have regard to the Regulators' Code, which is a statutory obligation for National Regulators in the Legislative and Regulatory Reform Act 2006. We are required to have regard to the code when developing policies (including operational procedures), principles, guidance and setting standards.

The code covers the following duties:

- supporting providers to comply with us and grow
- providing simple ways for providers to engage with us, to receive their views
- basing regulatory activities on risk
- sharing information about compliance and risk with other regulators when legally permissible (to avoid providers having to submit the same information multiple times)
- making available clear information, guidance, and advice, to help providers comply with us
- carrying out our activities transparently.

Our regulatory approach is designed to be principles-based, taking account of the complexity of the higher education sector. It shapes the way we make judgements about individual providers based on data and contextual evidence. Our approach is also risk-based: engagement with a provider allows the OfS to make appropriate regulatory decisions about managing the risks associated with that provider, and dialogue focuses on specific regulatory issues rather than the general circumstances of the provider. An example of our compliance with the code this year was our extensive phased consultation on the reform of quality and standards. This included preparation of outcomes data for each provider so that each could understand its performance in the context of proposed reforms. A risk-based approach to regulation is at the heart of the proposed reforms.

The OfS is subject to the provisions of the Small Business, Enterprise and Employment Act 2015 as amended by the Enterprise act 2016 (including the Business Impact Target with corresponding reporting requirements). Statutory regulators must publish:

- their qualifying regulatory provisions
- an assessment of the economic impact on business of those provisions
- a summary of non-qualifying provisions.

⁹⁸ Section 2 of HERA.

Our assessment of regulatory changes in the most recent reporting period was that there were no qualifying provisions to report or publish.⁹⁹

Transfer of Accounting Officer responsibilities and overall conclusion

The completion and agreement of the final OfS accounts and their submission to Parliament became my responsibility from 1 May 2022. In fulfilling this duty, I have relied on the statements and assurances of the Accounting Officer in place at OfS until 30 April 2022. I have also relied on the oversight of the OfS's systems of corporate governance, risk management and internal control carried out by the OfS Risk and Audit Committee as described in its annual report, to review these annual report and accounts, and took account of the 2021-22 management report from the OfS's external auditors.

I have considered the evidence provided regarding the production of the annual governance statement. I am satisfied that, where any weaknesses in systems and processes have been identified, there are plans in place both to address them and to ensure continuous improvement. I have considered the evidence provided in the production of the annual governance statement. The conclusion of my review is that the OfS's overall governance and internal control structures were appropriate for the OfS's business, and that they operated satisfactorily throughout the period of review.

⁹⁹ See www.officeforstudents.org.uk/about/how-we-are-run/business-impact-target-reporting/.

Remuneration and staff report

Part one (not subject to audit)

Remuneration and Nominations Committee

The Remuneration and Nominations Committee is one of the OfS's committees. Members of the committee for 2021-22 were:

- **Monisha Shah** (Committee chair), OfS board member
- **Lord Wharton of Yarm**, chair, OfS board
- **Martha Longdon**, OfS board member
- **San Johal**, independent member.

The chief executive normally attends meetings to support discussion of the performance and remuneration of executive directors and other relevant matters, but is not present for discussion of her own performance and remuneration.

The role of the Remuneration and Nominations Committee is:

- To make recommendations to the OfS board on the terms and conditions of employment of the chief executive and the Director for Fair Access and Participation, noting that some decisions are made by the Secretary of State.
- To carry out an annual review of the remuneration of other directors and, based on the recommendations of the chief executive, to make decisions about changes to pay and levels of performance-related pay.
- To support the OfS chair in setting performance objectives with the chief executive and monitoring their performance.
- To comment on the aims of the annual pay remit, which seeks authority from the DfE on the nature and scale of pay awards to OfS staff.
- To provide advice to the chief executive on the OfS's staffing policies and to comment on the appropriateness of its approach to remuneration in enabling it to recruit, motivate and retain staff.
- To support the OfS chair and chief executive and the DfE in the consideration of succession planning requirements at board and executive level.
- To provide assurance that the process for recruiting independent members to any OfS board committee is open and fair and promotes diversity and equality of opportunity, and to provide advice to the OfS chair on the appointment of suitable independent members to any of these committees.

Remuneration arrangements

The salary and non-consolidated performance pay for the chief executive and the Director for Fair Access and Participation (DFAP) are determined by the Secretary of State for Education, on consideration of the proposal made by the board on the recommendation of the Remuneration and Nominations Committee.

The aim of the proposal is to enable the OfS to recruit, retain and motivate talented and experienced people capable of fulfilling the responsibilities of these senior roles to the highest standards of excellence and best practice. Salary reviews, based on objectives, take account of market pay data and the government's decisions on the recommendations of the Senior Salaries Review Body. The level of non-consolidated performance pay (up to a maximum of £20,000 per annum for the chief executive and 10 per cent of basic salary for the DFAP) relates to achievement of previously agreed objectives and is normally paid in the following financial year.

Working within the context of the annual Treasury pay guidance and pay remit process, the pay system for the other directors similarly aims to enable the OfS to recruit, retain, and motivate highly talented people to lead on specific areas in the OfS's strategic plan, and to work together with the chief executive and the DFAP to lead the organisation. The Remuneration and Nominations Committee considers proposals for remuneration of the other directors made by the chief executive and makes decisions about any subsequent changes to pay for the following year.

Contracts

The lengths of the contracts of employment for the chief executive and the DFAP are determined by the Secretary of State for Education.

Nicola Dandridge was appointed as chief executive for a four-year term, which began in September 2017 and was due to expire on 31 December 2021. The Secretary of State extended her term and Nicola ended her term of employment on 30 April 2022.

Susan Lapworth was appointed as interim chief executive from 1 May 2022 to 31 December 2022.

Christopher Millward served as the DFAP for a four-year term, which began in January 2018 and ended on 31 December 2021. John Blake was appointed as the new DFAP from 1 January 2022 for a four-year term. There is an option to extend his term of employment for up to a total of 10 years. His contract stipulates a minimum of a six-month notice period.

Contracts for all other directors are open-ended and their notice period is a minimum of six months.

Membership of the board

The OfS board consists of the chair, the chief executive, the DFAP and at least seven and not more than 12 ordinary members. Ordinary members of the board are appointed based on their expertise in promoting choice for consumers, managing a regulatory system, and robust financial control. At least one of the ordinary members must have experience of representing or promoting the interests of students in higher education. These appointments are made by the Secretary of State for Education following a selection process run by the DfE in accordance with the Governance Code for Public Appointments. Ordinary members are eligible to receive an annual payment of £9,180 pro rata.

Staff report

On the census date of 31 March 2022, the OfS employed 368 full-time equivalent staff: of the 398 headcount, 261 were female and 137 male. Of the 14 board members listed in the Remuneration Report (excluding the chief executive, the DFAP and the chair), eight were men and six women. Of the seven senior employees listed in the Remuneration Report, five were men and two women.

The OfS continues to monitor sickness absence as an indicator of staff wellbeing. Our sickness absence remains relatively low. In 2021-22 we lost 2,636 (2020-21: 1,990) working days to sickness, an average of 6.6 (2020-21: 5.0) days per person. This compares with an average 8.0 days for government public service bodies and 4.3 days for private sector services.¹⁰⁰

Annual staff turnover for 2021-22 as at 31 March was 12 per cent.

The OfS is committed to promoting diversity and equal opportunities in employment. Like many other organisations, we recognise the benefits of a diverse and well-motivated workforce, where all are treated fairly. Our intention is to reflect not only the letter but also the spirit of the Public Sector Equality Duty. More information can be found on our website.¹⁰¹

The OfS is a Disability Confident Employer and has given full and fair consideration to applications for employment made by disabled people. Please see our guidance to applicants.¹⁰²

The OfS reasonable adjustments policy confirms that no applicant or employee is subjected to workplace disadvantages due to their disability, where an appropriate reasonable adjustment can be put in place. This policy applies to all areas of employment including recruitment, learning and development and career progression. The OfS is committed to taking positive and proactive steps during an employees' ongoing employment to ensure appropriate and effective reasonable adjustments are put in place. Any requests or matters raised will be treated positively and sensitively and no detriment, harassment or unfavourable treatment will result as a consequence of an employee bringing any adjustment matters to the attention of the OfS. If, after advice from the OfS's occupational health provider, an employee is unable to continue in their current role due to ill health or disability, and no reasonable adjustments can be made to accommodate that employee in their current role, the OfS will make reasonable efforts to find suitable alternative employment within the OfS if a suitable job role is available. If necessary, training and support will be provided to enable an employee to take on a different job role in the OfS.

There have been no staff redeployed externally in relation to coronavirus or the EU exit. As we reprioritised our work due to the pandemic many staff were redeployed internally to work on new priorities.

Part two (audited)

The OfS chair

Remuneration of the chair was decided by the DfE. The OfS chair receives a salary but does not participate in the organisation's pension scheme. The role requires a time commitment of two days per week. The total remuneration for the OfS chair, **Lord James Wharton of Yarm**, for the year ended 31 March 2022, was £59,000 (Prior chair, Sir Michael Barber 2020-21: £40,500). The OfS chair was eligible to a salary of £59,000 in 2021-22 (£54,000 2020-21) however in 2020-21 the

¹⁰⁰ See Chartered Institute of Personnel and Development, 2020, 'Health and well-being at work', available at <https://www.cipd.co.uk/knowledge/culture/well-being/health-well-being-work>.

¹⁰¹ See www.officeforstudents.org.uk/about/equality-and-diversity/.

¹⁰² See www.officeforstudents.org.uk/careers/guidance-for-applicants.

previous chair did not accept payment of salary for January to March 2021 to the total of £13,500, as he was carrying out other paid work for the government in that period.

The OfS board

All ordinary board members are eligible to receive an annual payment of £9,180 pro rata. The payment is non-pensionable. All members are paid the amount directly via payroll. The total board members' remuneration is shown in the following table.

	Year ending 31 March 2022	Period ending 31 March 2021
Martha Longdon	9,180	9,180
David Palfreyman OBE	9,180	9,180
Kate Lander	9,180	9,180
Martin Coleman	9,180	9,180
Katja Hall	9,180	9,180
Monisha Shah	9,180	9,180
Simon Levine	9,180	9,180
Kathryn King	9,180	9,180
Verity Hancock	9,180	9,180
Elizabeth Fagan CBE	9,180	9,180
Gurpreet Dehal (Term ended 10 September 2021)	4,208	9,180
Steven West CBE (Term ended 31 May 2021)	1,530	9,180
Rachel Houchen (Term commenced 16 March 2022)	-	-
Dayo Olukoshi (Term commenced 16 March 2022)	-	-
Total	97,538	110,160

The OfS chief executive

The chief executive's salary and non-consolidated performance bonus are determined by the Secretary of State for Education after considering proposals from the Remuneration and Nominations Committee, as described above. The chief executive received no benefits in kind in 2021-22. The total emoluments for the OfS chief executive are shown in the following table.

	Salary paid ^a		Bonus ^b		Pension benefit (nearest £1,000)		Total	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Nicola Dandridge CBE	£170,825	£170,851	£1,000	-	£66,000	£66,000	£237,825	£236,851

^a Annual pay settlements are awarded from 1 August each year.

^b Bonus in 2021-22 is non-consolidated pay in recognition of performance in 2020-21.

The chief executive's salary (highest paid director) increased by 0.01 per cent. The bonus increased by 100 per cent. This is as a result of the chief executive declining a bonus in 2020-21.

The Director for Fair Access and Participation

The DFAP's salary and non-consolidated performance bonus are determined by the Secretary of State for Education after considering proposals from the Remuneration and Nominations Committee, as described above. The DFAP received no benefits in kind in 2021-22. The total emoluments for the DFAP are shown in the following table.

	Salary paid		Bonus ^{a b}		Pension benefit (nearest £1,000)		Total	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Christopher Millward ^c (Term ended 31 December 2021)	£101,494	£134,615	£1,000	-	£22,000	£54,000	£124,494	£188,615
John Blake ^d (Term commenced 1 January 2022)	£32,500	-	-	-	£13,000	-	£45,500	-

^a Bonus in 2021-22 is non-consolidated pay in recognition of performance in 2020-21.

^b Non-consolidated performance pay is calculated as a cash lump sum, weighted by individual performance review score. Non-consolidated performance pay is not pensionable

^c Annual FYE salary is £134,589.

^d Annual FYE salary is £130,000.

Senior employees

Salary includes gross salary, overtime, reserved rights to London weighting or allowances, recruitment and retention allowances, and any taxable allowances or payments. No senior employee received any benefits in kind in 2021-22.

	Salary (£000)		Bonus (£000) ^{a b}		Pension benefit (nearest £1,000)		Total (£000)	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Susan Lapworth Director of regulation	120-125	120-125	0-5	10-15	(10)	5	110-115	140-145
Richard Puttock Director of data, foresight and analysis	95-100	95-100	0-5	-	24	46	120-125	140-145
Conor Ryan Director of external relations	115-120	115-120	0-5	0-5	45	45	160-165	160-165
Nolan Smith Director of resources and finance	130-135	130-135	0-5	-	36	56	165-170	185-190

^a Bonus paid in 2021-22 is in relation to performance in 2020-21.

^b Non-consolidated performance pay is calculated as a cash lump sum, weighted by individual performance review score. Non-consolidated performance pay is not pensionable

Senior employees' pensions

	Accrued pension at pension age as at 31 March 2022 and related lump sum (£000)	Real increase in pension and related lump sum at pension age (£000)	CETV at 31 March 2022 (£000)	CETV at 31 March 2021 or start date (£000)	Real increase in CETV (£000)
Nicola Dandridge^b Chief executive					

	Accrued pension at pension age as at 31 March 2022 and related lump sum (£000)	Real increase in pension and related lump sum at pension age (£000)	CETV at 31 March 2022 (£000)	CETV at 31 March 2021 or start date (£000)	Real increase in CETV (£000)
Pension	15-20	2.5-5	268	200	49
Lump sum					
Christopher Millward^b Director for fair access and participation					
Pension	50-55	0-2.5	856	809	5
Lump sum	95-100	-			
John Blake^b Director for fair access and participation					
Pension	0-5	0-2.5	7	-	5
Lump sum					
Nolan Smith^b Director of resources and finance					
Pension	45-50	0-2.5	684	634	13
Lump sum	70-75	-			
Susan Lapworth^a Director of regulation					
Pension	20-25	0-2.5	579	518	17
Lump sum	70-75	0-2.5			

	Accrued pension at pension age as at 31 March 2022 and related lump sum (£000)	Real increase in pension and related lump sum at pension age (£000)	CETV at 31 March 2022 (£000)	CETV at 31 March 2021 or start date (£000)	Real increase in CETV (£000)
Conor Ryan^b Director of external relations					
Pension	10-15	2.5-5	150	108	30
Lump sum					
Richard Puttock^b Director of data, foresight and analysis					
Pension	35-40	0-2.5	651	607	7
Lump sum	75-80	-			

Note: 'CETV' = 'Cash equivalent transfer value'.

^a Members of the Universities Superannuation Scheme.

^b Members of the Principal Civil Service Pension Scheme.

The OfS contributes to two pension schemes: the Principal Civil Service Pension Scheme (PCSPS) and the Universities Superannuation Scheme (USS). The USS is a multi-employer defined benefit pension scheme. The PCSPS is an unfunded multi-employer defined benefit scheme, but the OfS is unable to identify its share of the underlying assets and liabilities. Further details on pensions are provided below.

Staff costs

As part of central government's commitment to increase transparency and accountability, the OfS is reporting the median earnings of its workforce, and the ratio between this and the earnings of its chief executive. The disclosure will also allow some comparability over time and across the public sector and private sector, where similar disclosures of chief executives' remuneration and pay multiples are made.

The remuneration of the highest annual salary paid to a director (the chief executive) in the OfS, in the financial year 2021-22, was £171,825 (2020-21: £170,851). This was 4.4 times (2020-21: 4.4 times) the median remuneration of the workforce, which was £39,261 (2020-21: £39,161). There has been a zero per cent change in the average and the median salaries in respect of the employees of the entity taken as a whole. There has also been no change to the ratios. This is as a result of no pay increase being awarded in 2021-22. The table below shows pay ratios per percentile.

Percentile	2021-22 Ratio	2021-22 Remuneration (£)
25th	5.3	32,177
50th	4.4	39,261
75th	3.4	50,925

Total remuneration includes salary, non-consolidated performance-related pay. There were no benefits in kind in 2021-22. It does not include severance payments, employer pension contributions or the cash equivalent transfer value of pensions. With the exception of the senior employees disclosed, no other employee received a salary above £100,000.

In 2021-22 no employees received remuneration in excess of the highest-paid director. Remuneration ranged from £16,426 to £171,825 (2020-21: £16,176 to £170,851).

The table below shows analysis of staff costs and pension costs.

Staff and pension costs

	Year ended 31 March 2022 (£000)	Period ended 31 March 2022 (£000)
Staff with a permanent UK employment contract with the OfS		
Salaries	17,385	17,552
National Insurance contributions	1,816	1,841
Pension costs	4,516	4,536
	23,717	23,929
Costs of employing contract, agency and temporary staff	278	575
	23,995	24,504
Pension costs breakdown		
Civil Service pensions	4,405	4,419
Partnership pension	64	71
Universities Superannuation Scheme	47	46
	4,516	4,536

Salary includes gross salary, overtime, reserved rights to London weighting or London allowances, recruitment and retention allowances, and any other allowance to the extent that it is subject to UK taxation. All eligible staff are considered for a non-consolidated performance-related payment related to individuals' performance against objectives. Annual settlements are awarded from 1 August each year and relate to individuals' performance from the previous financial year.

The OfS had 377 (2020-21: 376) average full-time equivalent (FTE) staff numbers, which includes seven (2020-21: nine) contractors. Full-time equivalents are classed as those staff who are employed on either permanent OfS contracts or fixed-term contracts and paid directly from the OfS payroll, including those on maternity leave. The staff numbers do not include any outwardly seconded staff. Although the FTE for the chair is excluded from the above staff numbers, his costs are included among staff costs.

As of 31 March 2022, there were no staff participating in the COVID-19 furlough scheme and there were no off-payroll engagements or expenditure on consultancy.

Pensions

Employers' contributions of £4,405,161 (2020-21: £4,419,208) were payable to the PCSPS at one of four rates in the range 26.6 to 30.3 per cent (2020-21: 26.6 to 30.3 per cent) of pensionable pay, based on salary bands. The scheme's actuary reviews employer contributions every four years following a full scheme valuation. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

Employees can opt to open a partnership pension account: a stakeholder pension with an employer contribution. Employers' contributions of £63,507 (2020-21: £71,044) were paid to appointed stakeholder pension providers. Employer contributions are age-related and range from 9.0 to 14.75 per cent (2020-21: 9.0 to 14.75 per cent) of pensionable pay. Employers also match employee contributions up to 3 per cent of pensionable pay and contribute a further 0.5 per cent of pensionable pay to PCSPS to cover the cost of the future provision of lump sum benefits on death in service and ill-health retirement of these employees.

Three (2020-21: four) members of staff hold a pension with USS. For 2021-22, employers' contributions of £47,566 (2020-21: £45,802) were payable at a rate of 21.1 per cent (2020-21: 21.1 per cent). Employers may be required to contribute 2.1 per cent for employees who have elected for enhanced opt-out to retain death in service and incapacity benefits.

Civil service pensions

Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or alpha, which provides benefits on a career average basis with a normal pension age equal to the member's state pension age (or 65 if higher). From that date all newly appointed civil servants and the majority of those already in service joined alpha. Prior to that date, civil servants participated in the PCSPS. The PCSPS has four sections: three providing benefits on a final salary basis (classic, premium or classic plus) with a normal pension age of 60; and one providing benefits on a whole career basis (nuvos) with a normal pension age of 65.

These statutory arrangements are unfunded, with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus, nuvos and alpha are increased annually in line with pensions increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and five months from their normal pension age on 1 April 2012 switch into alpha sometime between 1 June 2015 and 1 February 2022. Because the government plans to remove discrimination identified by the courts in the way that the 2015 pension reforms were introduced for some members, it is expected that, in due

course, eligible members with relevant service between 1 April 2015 and 31 March 2022 may be entitled to different pension benefits in relation to that period (and this may affect the cash equivalent transfer values shown in this report – see below). All members who switch to alpha have their PCSPS benefits ‘banked’, with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes.) Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a defined contribution (money purchase) pension with an employer contribution (partnership pension account).

Employee contributions are salary-related and range between 4.6 per cent and 8.05 per cent for members of classic, premium, classic plus, nuvos and alpha. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as in premium. In nuvos a member builds up a pension based on their pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member’s earned pension account is credited with 2.3 per cent of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. Benefits in alpha build up in a similar way to nuvos, except that the accrual rate is 2.32 per cent. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The partnership pension account is an occupational defined contribution pension arrangement which is part of the Legal & General Master trust. The employer makes a basic contribution of between 8 per cent and 14.75 per cent (depending on the age of the member). The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3 per cent of pensionable salary (in addition to the employer’s basic contribution). Employers also contribute a further 0.5 per cent of pensionable salary to cover the cost of centrally provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of classic, premium and classic plus, 65 for members of nuvos, and the higher of 65 or State Pension Age for members of alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha, the figure quoted is the combined value of their benefits in the two schemes, but note that part of that pension may be payable from different ages.)

Cash equivalent transfer values

A cash equivalent transfer value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member’s accrued benefits and any contingent spouse’s pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement, when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme, to secure

pension benefits in another pension scheme or arrangement. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are calculated in accordance with the Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV

This reflects the increase in CETV that is funded by the employer. It excludes the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Universities Superannuation Scheme

The USS is a multi-employer defined benefit scheme which publishes its own accounts and has its own assets and liabilities held in trust. The OfS is unable to identify its share of the underlying assets and liabilities of this scheme on a consistent and reasonable basis. USS members pay contributions of 8 per cent of pensionable earnings. The rate of employers' contributions is 21.1 per cent (2020-21: 21 per cent). On death, pensions are payable to the surviving spouse at a rate of half the member's pension. On death in service, the USS pays a lump sum benefit of three times pensionable pay. Employees who have elected for enhanced opt out to retain death in service and incapacity benefits, contribute 2.5 per cent of pensionable earnings and employers contribute 2.1 per cent.

In accordance with HM Treasury guidance, the OfS has accounted for USS pensions as if they were defined contribution schemes.

Voluntary exits

There has been one (2020-21: zero) exit payment to employees in 2021-22. The contract of the previous DFAP, Christopher Millward, was terminated on 31 December 2021. He received a special severance payment of £80,000.

Trade union facilities time (unaudited)

In accordance with the Trade Union (Facility Time Publication Requirements) Regulations 2017, which came into force on 1 April 2017, the OfS is required to report the following facility time information. During 2021-22 there were 11 (2020-21: 11) employees who were union officials (full-time equivalent of 10.2). These employees spent between 0.4 and 3.8 (2020-21: 0.6 and 4.3) per cent of their working hours on facility time. The total cost of this facility time was £8,643 (2020-21: £15,655), which represents 0.04 (2020-21: 0.06) per cent of the total staff costs of £24.0 million (2020-21 £24.5 million). The facility time was all spent on paid trade union activities.

Parliamentary accountability and audit report (audited)

Fees and charges income

The executive team regularly reviews the OfS's performance using two operating segments. The administration segment is the OfS's operating activities funded mostly by the registration fee income. More analysis and information can be found in Note 2: Operating segments.

	Administration	
	Year ending 31 March 2022 £000	Period ending 31 March 2021 £000
Income	(26,506)	(27,269)
Expenditure	27,728	27,651
Net operating expenditure	1,222	382

Contingent liabilities

The OfS has no contingent liabilities that need to be disclosed under Parliamentary Reporting requirements.

Losses and special payments

During 2021-22 the OfS has made two special payments as follows:

- The Chief Secretary to the Treasury approved a special severance payment of £80k to agree a voluntary exit of the employment of Chris Millward, the Director for Fair Access and Participation (DFAP).
- In August 2020, the Court of Appeal quashed an OfS decision to refuse Bloomsbury Institute Limited's application for registration on the register of English higher education providers and made a ruling as to the OfS's liability for Bloomsbury court costs. This followed the Court of Appeal's decision to overturn parts of a High Court judgement that had originally found against Bloomsbury in a judicial review claim against the OfS. In December 2021 the OfS reached agreement with Bloomsbury to pay £915,000 in respect of their overall court costs.

Susan Lapworth
Chief Executive and Accounting Officer
20 June 2022

The certificate and report of the Comptroller and Auditor General to the Houses of Parliament

Opinion on financial statements

I certify that I have audited the financial statements of the Office for Students for the year ended 31 March 2022 under the Higher Education and Research Act 2017.

The financial statements comprise the Office for Students’

- Statements of Financial Position as at 31 March 2022;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers’ Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted International Accounting Standards.

In my opinion, the financial statements:

- give a true and fair view of the state of the Office for Students’ affairs as at 31 March 2022 and its net operating expenditure for the year then ended; and
- have been properly prepared in accordance with the Higher Education and Research Act 2017 and Secretary of State directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 Audit of Financial Statements of Public Sector Entities in the United Kingdom. My responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council’s *Revised Ethical Standard 2019*. I have also elected to apply the ethical standards relevant to listed entities. I am independent of the Office for Students’ in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Office for Students' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Office for Students' ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Board and the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for the Office for Students' is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

Other Information

The other information comprises information included in the Annual Report, but does not include the financial statements nor my auditor's certificate and report. The Board and Accounting Officer are responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with Secretary of State directions issued under the Higher Education and Research Act 2017.

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with Secretary of State directions made under the Higher Education and Research Act 2017 and
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Office for Students and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Report.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- I have not received all of the information and explanations I require for my audit; or
- adequate accounting records have not been kept by the Office for Students or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Board and Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the board and Accounting Officer are responsible for:

- maintaining proper accounting records;
- the preparation of the financial statements and Annual Report in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- ensuring that the Annual Report and accounts as a whole is fair, balanced and understandable;
- internal controls as the Accounting Officer determines is necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error; and
- assessing the Office for Students' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Office for Students will not continue to be provided in the future

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Higher Education and Research Act 2017.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, we considered the following:

- the nature of the sector, control environment and operational performance including the design of the Office for Students' accounting policies, key performance indicators and performance incentives.
- Inquiring of management, the Office of Students head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Office for Students' policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Office for Students' controls relating to compliance with the Higher Education and Research Act 2017 and Managing Public Money
- discussing among the engagement team and involving relevant external specialists, how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Office for Students for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions, bias in management estimates and grant regularity In common with all audits under ISAs (UK), I am also required to perform specific procedures to respond to the risk of management override of controls.

I also obtained an understanding of the Office for Students' framework of authority as well as other legal and regulatory frameworks in which the Office for Students' operates, focusing on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Office for Students'. The key laws and regulations I considered in this context included the Higher Education and Research Act 2017, Higher Education (Registration Fees)(England) Regulations, Managing Public Money and relevant employment law and tax legislation.

Audit response to identified risk

As a result of performing the above, the procedures I implemented to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- enquiring of management, the Audit and Risk Committee concerning actual and potential litigation and claims;
- reading and reviewing minutes of meetings of those charged with governance and the Board and internal audit reports;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

Other auditor's responsibilities

I am required to obtain evidence sufficient to give reasonable assurance that the income and expenditure reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report

I have no observations to make on these financial statements.

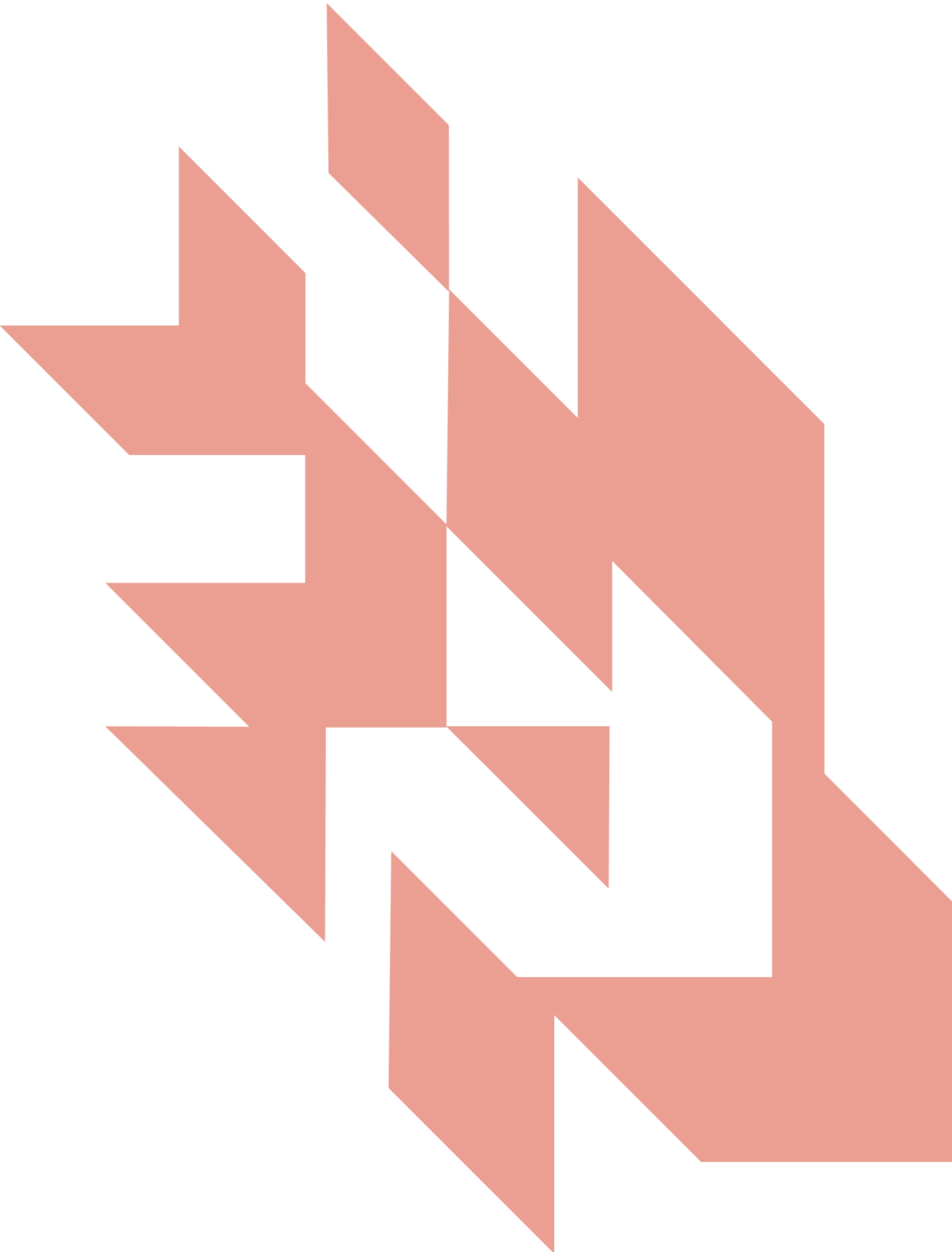
Gareth Davies

Date 22 June 2022

Comptroller and Auditor General

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

Financial statements



Financial statements

Statement of comprehensive net expenditure for the year ended 31 March 2022			
	Note	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000
Income	6	(29,140)	(28,123)
Staff costs	4	23,995	24,504
Non-pay administration costs	5	6,605	5,864
Depreciation	7	67	66
Recurrent and non-recurrent grant expenditure	3	1,468,273	1,518,436
Changes in provision	11	217	726
Total operating expenditure		1,499,157	1,549,596
Net operating expenditure		1,470,017	1,521,473
Other comprehensive net expenditure		-	-
Comprehensive net expenditure for the period transferred to general reserve		1,470,017	1,521,473

The notes on pages 128 to 149 form part of these accounts.

Statement of financial position as at 31 March 2022			
	Note	As at 31 March 2022 £000	As at 31 March 2021 £000
Non-current assets			
Property, plant and equipment	7	-	67
Recoverable grants falling due after one year	8a	3,585	4,013
		3,585	4,080
Current assets			
Recoverable grants falling due within one year	8a	428	428
Trade and other receivables due within one year	8b	3,790	3,880
Cash and cash equivalents	9	12,545	13,733
		16,763	18,041
Total assets		20,348	22,121
Current liabilities			
Trade and other payables within one year	10	(10,041)	(11,394)
Provisions for liabilities within one year	11	(674)	(300)
Total assets less current liabilities		9,633	10,427
Non-current liabilities			
Trade and other payables after one year	10	(1,733)	(1,826)
Provisions for liabilities after one year	11	(324)	(781)
		(2,057)	(2,607)
Total assets less liabilities		7,576	7,820
Taxpayers' equity			
General reserve		7,576	7,820
		7,576	7,820

The financial statements on pages 124 to 127 were approved by the Board and were signed on its behalf on 20 June 2022 by:



Susan Lapworth Chief Executive and Accounting Officer

The notes on pages 128 to 149 form part of these accounts.

Statement of cashflows for the year ended 31 March 2022

	Note	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000
Cashflows from operating activities			
Net operating expenditure		(1,470,017)	(1,521,473)
Adjustment for non-cash transactions	7,11	(16)	792
Decrease in receivables and recoverable grants	8a, 8b	518	6,268
Decrease in payables	10	(1,446)	(1,627)
Net cash outflow from operating activities		(1,470,961)	(1,516,040)
Cashflows from investing activities			
Net cashflow from investing activities		-	-
Cashflows from financing activities			
Grants from government department		1,469,773	1,514,835
Net cashflow from financing activities		1,469,773	1,514,835
Net decrease in cash for the period		(1,188)	(1,205)
Net financing			
Cash and cash equivalents at the beginning of the period	9	13,733	14,938
Decrease in cash and cash equivalents in the period	9	(1,188)	(1,205)
Cash and cash equivalents at the end of the period		12,545	13,733

The notes on pages 128 to 149 form part of these accounts.

Statement of changes in taxpayers' equity for the year ended 31 March 2022	
	Total reserve £000
Changes in taxpayers' equity 2021-22	
Balance as at 1 April 2021	7,820
Grant from sponsoring department	1,469,773
Comprehensive net expenditure for the period	(1,470,017)
Balance as at 31 March 2022	7,576
	Total Reserve £000
Changes in taxpayers' equity 2020-21	
Balance as at 1 April 2020	14,458
Grant from sponsoring department	1,514,835
Comprehensive net expenditure for the period	(1,521,473)
Balance as at 31 March 2021	7,820

The general reserve consists of grant and grant in aid from the DfE and the net expenditure relating to programme and administration costs.

The notes on pages 128 to 149 form part of these accounts.

1 Accounting policies

1. Basis of accounting

These financial statements have been prepared in accordance with the 2021-22 Government Financial Reporting Manual (FReM) issued by HM Treasury, as set out in the statutory accounts direction given by the Secretary of State, with the consent of HM Treasury and in accordance with the Higher Education and Research Act 2017. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRSs) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the OfS for the purpose of giving a true and fair view has been selected. The particular policies adopted by the OfS for 2021-22 are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

2. Accounting convention

The accounts are prepared under the historical cost convention. The currency used to prepare the accounts is sterling and is rounded to the nearest £1,000.

3. Adoption of FReM amendments

There have been no significant FReM changes in 2021-22.

4. Early adoption

The OfS has not adopted any accounting standards early in 2021-22.

5. Going concern

OfS activities are funded from either registration fee income or grant in aid.

Registration fees are based on rates that have been set by Parliament to recover the OfS's operating costs. Grant funding activities are funded through the Departmental Group's estimates and there is no reason to believe that future sponsorship and future parliamentary approval will not be forthcoming. It is therefore appropriate to prepare these accounts on a going concern basis.

6. Financial instruments

IFRS 7 and International Accounting Standards (IAS) 32 require an organisation to present and disclose information on the possible impact of financial instruments on its financial position and performance, and on the extent of its risk exposure. As a non-departmental public body funded by the government, the OfS is not exposed to any liquidity or interest rate risks. The OfS has no overseas operations and does not operate any foreign currency bank accounts. It is not subject to any foreign currency, credit or market risks.

Assets and liabilities that meet the definition of financial instruments are accounted for under IAS 32, IFRS 9 and IFRS 7. Trade receivables, recoverable grants and payables are initially recognised at fair value and held at amortised cost. The cost is judged to be a reasonable approximation of fair value and amortised cost.

During the course of its business, the OfS may on occasion make loans to higher education institutions. These are disclosed in Note 8a as recoverable grants. As these loans are repaid from deductions to future grant payments, the OfS considers the risk of credit loss to be nil.

7. Grants from the Department for Education

All grant in aid from the DfE is treated as financing, as it is a contribution from controlling parties giving rise to a financial interest. The OfS records grant in aid as financing in the statement of cash flows and to the general reserve. Grants are not classified as financing but are subject to conditions such that non-compliance with grant terms would result in the grant being repaid.

8. Operating income

Operating income is income which relates directly to the operating activities of the OfS. Income is accounted for in accordance with IFRS 15: Revenue recognition, which states that revenue shall only be recognised once a performance obligation has been met.

Registration fee income

Section 70 of HERA 2017 makes provision for the OfS to charge providers an annual fee for their registration in the register of English higher education providers. The OfS has the powers under section 72 to retain these fees as income. The OfS fulfils its obligations by maintaining the providers registration over the period the fee covers. The benefits are simultaneously received by the customer; therefore, the revenue received by the OfS should be recognised proportionately over the academic year the fee covers. Any income paid in excess of the value of performance obligation at the year end is deferred.

Income from joint initiatives and national programmes

The OfS acts as lead partner for a number of jointly funded initiatives with the other UK higher education funding bodies. The OfS in its capacity as lead partner for all projects incurs all associated costs. The OfS fulfils its obligation by providing services as per the contractual agreement. A share of these costs is then allocated to the other bodies in the funding group, which then reimburse the OfS. The income is recognised as costs are incurred.

Service-level agreements and rental income

The OfS may enter into service level or rental agreements in respect of shared office space. The OfS fulfils its obligation by providing services as per the contractual agreement. Service-level agreements and rental income are invoiced quarterly, and revenue is recognised in the quarter in which the service is provided.

9. Segmental reporting

In accordance with IFRS 8: Operating Segments, the OfS has considered the need to analyse its activities in relation to operating segments. Since segmental information for total assets and liabilities is not regularly reported to the chief operating decision maker, it has not been produced in the accounts. See note 2 for segmental reporting disclosures on net expenditure.

10. Joint initiatives and national programmes that benefit the higher education sector in the UK

For those joint activities that meet the definition of jointly owned operations under IFRS 11, the OfS is required to show only its share of the income and expenditure within these accounts.

11. Leases

Leases are classified as finance leases whenever the terms of the leases transfer substantially all the risks and rewards of ownership of the leased assets to the lessee. Other leases are classified as operating leases. Operating leases are charged to the statement of comprehensive net expenditure as expenditure is incurred.

12. Non-current assets

Property, plant and equipment are capitalised where the costs for an individual asset, or group of functionally interdependent assets, exceeds £10,000. On initial recognition assets are measured at cost, including all direct costs attributable to bringing the assets into working condition. Given the assets' short life and low value, depreciated historical cost is used as a proxy for fair value.

13. Depreciation

Depreciation is provided at rates calculated to write off the cost or valuation of each asset by equal instalments over their expected useful lives as follows:

- leasehold improvements – 10 years or the lease term, whichever is shorter
- furniture and fittings – five years
- information technology equipment – three years.

14. Payment of grants

Grants are recognised at the payment dates agreed with the organisations concerned. Most grants are paid on agreed profiles, which are set to reimburse the grant recipients based on the expected profile of expenditure. The profiles are periodically updated throughout the academic year, and therefore no financial year end accruals are expected for these streams of expenditure.

The exception to this is holdback of providers grant arising from revised student numbers where there is sufficient certainty. Future profile payments are adjusted to reflect the change and could result in a net receivable or payable balance at year end. Sufficient certainty is where the relevant decision maker approves the funding adjustment.

15. Pensions

OfS employees are covered by the provisions of the Principal Civil Service Pension Scheme. This is a multi-employer defined benefit scheme treated for accounting purposes, in accordance with the FReM, as a defined contribution scheme. Prior to joining the OfS some staff previously transferred to the Higher Education Funding Council for England from universities, and these staff are covered by the provisions of the Universities Superannuation Scheme, which is also a defined benefit scheme treated for accounting purposes as a defined contribution scheme. These schemes are described in more detail in the remuneration and staff report.

16. Provisions for liabilities and charges

The OfS makes a provision in the accounts where the following criteria are met in accordance with IAS 37: Provisions, contingent liabilities and contingent assets:

- a legal or constructive obligation exists that will result in the transfer of economic benefit
- the transfer is probable

- a reliable estimate can be made.

17. Taxation

The OfS's income generating activities are not intended to produce surpluses and are therefore considered as not liable for corporation tax. Most of the OfS's activities are outside the scope of value added tax (VAT). Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of property, plant and equipment.

18. IFRS issued but not yet effective

To comply with the requirements of IAS 8: Accounting policies, changes in accounting estimates and errors, the OfS must disclose details of any IFRS that has been issued but is not yet effective. The OfS has carried out a review of the following IFRSs and found that none of the updates have any material impact on the 2021-22 accounts:

- IFRS 16: Leases – effective date, periods starting after 1 January 2019 with a deferral to the 1 April 2022 for the public sector. Based on the amounts payable under the current operating leases, we do not expect the impact of IFRS 16 to be material.
- IFRS 17: Insurance contracts – effective date, periods starting after 1 January 2023. This is not expected to have an impact as the OfS does not issue insurance contracts.

These standards have been issued but are not yet effective or endorsed by the EU or incorporated into the FReM.

1a Significant judgements

The preparation of these accounts requires management to make certain judgements, estimates and assumptions that affect the application of policies and reported amounts of income, expenditure, assets and liabilities. Management has specifically made such judgements on the following area.

19. Recovery of grants

The OfS's policy is to recognise grant adjustments as debts only when there is sufficient certainty of recovery. Recovery is made through adjustments to institutions' future grant funding. Further details are given in Note 8a.

The OfS has the powers under HERA 2017 to determine amounts of grant to recover from providers where the terms and conditions of grant have not been met. In exercising these powers, the OfS may in some cases decide not to seek recoveries for periods prior to a certain year. In such cases the decision is taken on an individual basis, with due regard to the circumstances giving rise to a potential recovery.

2 Operating segments

IFRS 8: Operating segments requires operating segments to be identified by an entity based on reports that are regularly reviewed by the chief operating decision maker. The executive team regularly review the OfS's performance using two operating segments. The administration segment is the OfS's operating activities funded by the registration fee. The programme segment is the OfS's grant funding activities funded by grant in aid provided by the DfE. The analysis of grant expenditure below is consistent with the presentation in 'Guide to funding 2021-22'.¹⁰³

	Administration		Programmes		TOTAL	
	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000
Income						
Registration fees	(25,919)	(26,263)	-	-	(25,919)	(26,263)
Other activities	(587)	(1,006)	(2,634)	(854)	(3,221)	(1,860)
	(26,506)	(27,269)	(2,634)	(854)	(29,140)	(28,123)
Expenditure						
Institutional recurrent funding	-	-	1,222,220	1,196,549	1,222,220	1,196,549
Funding for national facilities and initiatives	-	-	58,921	72,693	58,921	72,693
Capital funding	-	-	151,807	153,914	151,807	153,914
Other Government allocations	-	-	32,237	91,298	32,237	91,298
Non-pay	6,605	5,864	3,088	3,982	9,693	9,846
	6,605	5,864	1,468,273	1,518,436	1,474,878	1,524,300

¹⁰³ See www.officeforstudents.org.uk/publications/guide-to-funding-2021-22/.

Depreciation	67	66	-	-	67	66
Increase in provision	217	726	-	-	217	726
Staff	20,839	20,995	3,156	3,509	23,995	24,504
Net operating expenditure*	1,222	382	1,468,795	1,521,091	1,470,017	1,521,473

*Net operating expenditure is funded by grant in aid

Expenditure includes the following costs as a direct result of the COVID-19 pandemic:

Programme:

- £15 million (2020-21 £68.3 million) on Hardship funding to recognise the particular impact this year on individual students arising from the COVID-19 pandemic
- £10.0 million additional Medical and Dental funding to support providers that have taken on additional undergraduate students studying high cost subjects
- £0.5 million on the Brokerage Scheme to provide an incentivised scheme for supporting prospective students to move from medical schools where there is over subscription to those with sufficient capacity.
- £1.5 million (2020-21 £1.7 million) Student Mental Health national offer to support the ongoing provision of the Student Space website and support service.

Administration:

- £0.1 million (2020-21 £0.12 million) on a working from home allowance.

3 Analysis of recurrent and non-recurrent grant expenditure

	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000
Teaching funding ^a	1,222,220	1,206,549
Funding for national facilities and regulatory initiatives ^b	61,677	76,324
Capital funding ^c	151,807	163,933
Other government allocations ^d	32,569	71,630
	1,468,273	1,518,436

This analysis of grant expenditure is consistent with the presentation in the guide to funding 2021-22.¹⁰⁴

^a **Institutional recurrent funding** – grant paid to specific higher education providers to support their recurrent teaching activities. This funding is not meant to fully meet the cost of these activities, as this primarily comes from tuition fees. Instead, our funding is prioritised to support areas where teaching costs are particularly high, or to support particular policy priorities.

^b **Funding for national facilities and regulatory initiatives** – a portion of our recurrent funding is reallocated to meet particular policy priorities. This is provided for specific purposes and to promote change that cannot easily be achieved through institutional recurrent or capital funding.

^c **Capital funding** – allocations of capital funding are provided to enhance the learning experience of higher education students at providers, by helping raise the quality of their learning and teaching facilities.

^d **Other government allocations** – this relates to grant administered on behalf of the Government and covers programmes such as the Teaching Excellence and Student Outcomes Framework. It also includes Hardship and Student Mental health funding in relation to the pandemic. The OfS distributes this funding, which is provided by the DfE for specific purposes.

¹⁰⁴ See www.officeforstudents.org.uk/publications/guide-to-funding-2021-22/.

4 Staff costs

	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000
Staff with a permanent UK employment contract with the OfS		
Salaries	17,385	17,552
National Insurance	1,816	1,841
Pension	4,516	4,536
Total	23,717	23,929
Cost of employing contract, agency and temporary staff	278	575
Total staff costs	23,995	24,504

Staff costs are analysed in the Remuneration and staff report on page 104.

5 Other administration costs

	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000
Non-pay administration costs		
Staff-related and general administrative expenditure	520	483
Rental payments under plant and machinery operating leases	22	21
Rental payments under other operating leases	1,275	1,263
Premises costs	840	688
Office costs	1,806	1,858
Board and committee members' fees and expenses	190	187
Audit fee	75	77
Professional services	1,877	1,287
Total non-pay administration costs	6,605	5,864

The analysis of expenditure shown above reflects the in-year management accounting process whereby the OfS monitors and reports on its administration costs. Staff-related and general administrative expenditure includes costs of recruitment, training and staff travel.

Premises costs include expenditure on rates, heat and light, building maintenance, equipment and furniture.

Office costs include information technology costs, stationery, postage, catering and hospitality, and minor office equipment costs.

Professional services include a special payment of £915,000 for the settlement of legal costs.

6 Income

	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000
Registration fee	25,919	26,263
Income from joint initiatives	2,374	1,310
Service level agreements	432	403
Rental income	132	126
Income from other activities	283	21
Total Income	29,140	28,123

Registration income is an annual fee charged to providers for their registration in the register of English higher education providers as per section 70 of the HERA 2017. The fees have been set by Parliament under the [Higher Education \(Registration Fees\) Regulations 2019](#). The OfS has the powers under section 72 to retain these fees as income.

The OfS receives income from UK funding councils and associated organisations in respect of agreed contributions towards joint initiatives and national programmes. These initiatives and national programmes do not meet the definition of joint operations under IFRS 11 and are therefore shown above. Income includes a contribution towards the OfS's costs of managing and administering these programmes.

The OfS provide a range of services under service-level agreements to UKRI, and the Department for the Economy Northern Ireland, which includes facilities management and quality assurance.

7 Property, plant and equipment

	Leasehold improvements £000	Furniture, fixtures and equipment £000	Information technology £000	Total £000
Cost or valuation				
At 1 April 2021	465	116	124	705
At 31 March 2022	465	116	124	705
Depreciation				
At 1 April 2021	398	116	124	638
Charge for period	67	-	-	67
At 31 March 2022	465	116	124	705
Net book value at 31 March 2022	-	-	-	-

	Leasehold improvements £000	Furniture, fixtures and equipment £000	Information technology £000	Total £000
Cost or valuation				
At 1 March 2020	465	116	124	705
At 31 March 2021	465	116	124	705
Depreciation				
At 1 March 2020	332	116	124	572
Charge for period	66	-	-	66
At 31 March 2021	398	116	124	638
Net book value at 31 March 2021	67	-	-	67

The note shows the capitalised value of the OfS's property, plant and equipment. The OfS's office premises in Bristol and London are rented under operating leases and disclosed in Note 12.

8a Recoverable grants

During the course of its business, the OfS may on occasion make loans to higher education providers. The OfS does not consider there to be a risk with these loans, as repayments are deducted from future funding at source.

	As at 31 March 2022 £000	As at 31 March 2021 £000
At 1 April	4,441	10,657
Advanced during the year	-	-
Recovered during the year	(428)	(6,216)
At 31 March	4,013	4,441
Within one year	428	428
After one year	3,585	4,013
	4,013	4,441

All recoverable grants were transferred from the Higher Education Funding Council for England on 1 April 2018. They are funds granted to providers on an individual basis to support the initial costs of specific projects, which are normally recovered via an adjustment to their future funding. It has been agreed with the DfE that the recoverable grants should be accounted for as loans, to ensure consistency of reporting across the departmental group. These recoverable grants are provided within the total budgets of the Revolving Green Fund.

As at 31 March 2022, zero (2020-21: zero) organisations had outstanding recoverable grants of £1,000,000 or more.

Also included in recoverable grants are amounts for the recovery of grant funding due from providers. This relates to adjustments to payment of grant funding to higher education providers (non-government bodies) where student numbers fall outside a standard percentage threshold, arising through data audits or reconciliations. The OfS's policy is to recognise such recoverable amounts as debts only when there is sufficient certainty of recovery. Recovery is made through adjustments to institutions' future grant funding or via other means. Discussions around data and recovery of grant funding happen on a continuous basis as a result of the data collection and audit programmes that run each year. Consequently, at year end, there may be continuing data audits or investigations where the outcomes, and any potential holdback, are not yet certain. Such amounts are not included within the above balances.

8b Trade and other receivables

	As at 31 March 2022 £000	As at 31 March 2021 £000
Receivables due within one year		
Programme prepayments	1	-
Programme receivables	1,619	1,107
Trade prepayments	904	1,002
Trade and other receivables	580	1,771
Accrued Income	686	-
Total receivables	3,790	3,880
Intra-government balances		
Other central government bodies	508	238
Total balances with other government bodies	508	238
Balances with non-government bodies	3,282	3,642
Total as per receivables note	3,790	3,880

Programme receivables: These include contributions to national initiatives due from UK higher education funding councils for contributions to the OfS's administration costs for managing and administering these initiatives.

Accrued income: This includes cost sharing income that is due to us but has not been invoiced as at 31 March 2022.

9 Cash and cash equivalents

	As at 31 March 2022 £000	As at 31 March 2021 £000
Cash held under Government Banking Service		
As at 1 April	13,733	14,938
Net change in cash and cash equivalents	(1,188)	(1,205)
Total cash and cash equivalents as at 31 March	12,545	13,733

The framework document between the OfS and the DfE advises a minimum working balance consistent with the efficient operation of the OfS. The OfS's balances relate to timing differences in the payment of expenditure committed and the receipt of registration fee income in the 2021-22 academic year.

The OfS banks with the Government Banking Service (GBS). This is a government-wide banking service provided by Royal Bank of Scotland and overseen centrally by the GBS team, ultimately controlled by HM Treasury. The OfS does not earn any interest on any balances held in GBS accounts.

The OfS has no cash held at commercial banks.

10 Trade and other payables

	As at 31 March 2022 £000	As at 31 March 2021 £000
Amounts falling due within one year		
Trade payables – administration	183	222
Accruals – administration	1,777	1,969
Tax and social security	1,024	998
Trade payables – programme	19	37
Accruals – programme	337	175
Deferred income	6,162	6,214
Reimbursement to co-funding partner	94	94
Hardship funding	445	1,685
	10,041	11,394
Amounts falling due after one year		
Reimbursement to co-funding partner	1,733	1,826
	1,733	1,826
Total payables	11,774	13,220
Intra-government balances		
Other central government bodies	1,024	2,673
Non-government bodies	10,750	10,547
Total as per payables note	11,774	13,220

‘Trade payables – administration’ refers to non-pay administration expenditure.

‘Accruals – administration’ include the staff annual leave accrual to reflect the requirements of IAS 19.

The tax and social security payable include amounts due to HM Revenue and Customs in arrears for National Insurance, Pay As You Earn and VAT.

‘Trade payables – programme’ include claims received but not yet paid due to any delays in authorisation, the timing of OfS payment runs or both, or relate to invoices not yet received.

‘Deferred income’ includes registration fee income paid in excess of the value of performance obligation at the year end.

‘Hardship funding’ relates to an amount due to DfE as a result of an underspend by providers.

‘Reimbursement to a co-funding partner’ relates to funding repayable to Salix. Salix is an independent, publicly funded finance company that provides the public sector with loans for energy-efficiency projects.

11 Provisions for liabilities and charges

	As at 31 March 2022 £000	As at 31 March 2021 £000
Opening balance	1,081	355
Provision utilised in year	(300)	-
Increase in provision	217	726
Closing balance	998	1,081
Within one year	674	300
After one year	324	781
	998	1,081

The provisions are for dilapidations for the buildings noted in Note 12.

12 Commitments under leases

	As at 31 March 2022 £000	As at 31 March 2021 £000
Obligations under operating leases comprise:		
Buildings		
Not later than one year	1,080	1,224
More than one year and not later than five years	81	1,077
	1,161	2,301
Other		
Not later than one year	17	17
More than one year and not later than five years	13	13
	30	30

The OfS's leases do not transfer the risks and rewards incidental to ownership of an asset to the OfS, and as such are classified as operating leases.

The OfS leases its office buildings in Bristol and London. The OfS's lease on its offices at Finlaison House in London will terminate on 16 June 2023. The OfS's lease on its offices in Bristol (Nicholson, Westward and Dominions Houses) either expire or have a break clause on 31 January 2023 and 9 January 2023.

The OfS leases shown in the 'Other' category relate to the rental of office equipment.

13 Financial commitments and contingent liabilities

	As at 31 March 2022 £000	As at 31 March 2021 £000
Commitments		
Grant committed for the period April 2022 to July 2022	443,061	448,637
Grant committed for the next academic year August 2022 to July 2023	1,525,253	1,448,578

The OfS has no commitments under non-cancellable contracts.

Recurrent expenditure for institutions is approved on an academic year basis (1 August to 31 July).

Grant funding to the higher education sector for the forthcoming academic year (commencing 1 August) is announced by the OfS each spring. The publication detailing the 2021-22 academic year is called 'Guide to funding for 2021-22'.¹⁰⁵

As at 31 March 2022 there were no contingent liabilities.

¹⁰⁵ See www.officeforstudents.org.uk/publications/guide-to-funding-2021-22/.

14 Related party transactions

The OfS is an independent public body, which during the year was sponsored by the DfE. The DfE and other DfE-sponsored bodies, such as the Student Loans Company, are regarded as related parties with which the OfS has had various transactions during the year.

In addition, the OfS has had a small number of transactions with other government departments and other central government bodies (such as the Scottish Funding Council, the Higher Education Funding Council for Wales, and the Department for the Economy in Northern Ireland).

No board member or senior manager has undertaken any material transactions with the OfS during the year.

The following table provides details of material transactions with organisations which are deemed related parties by virtue of OfS board members, committee members or senior management holding a key position at those organisations. These payments are at arm's length and part of the normal course of the OfS's business.

14 Related party transactions (continued)

	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000
Margaret Monckton (Risk and Audit Committee member): The University of Nottingham, Chief Financial Officer	38,894	37,939
Paul Gatrack (Quality Assessment Committee member): Head of Operations for Employability and Careers team, The University of Liverpool* (Term commenced 1 November 2021)	36,831	-
Dr Mary Bishop (Quality Assessment Committee member): The University of Bristol, Co-opted member of the Audit Committee	34,517	32,640
Dr Jagjeet Jutley-Neilson (Quality Assessment Committee member): Associate Professor / Director of Student Experience and Progression, University of Warwick* (Term commenced 1 November 2021)	16,689	-
Professor Steve West CBE (board member): The University of the West of England, Vice chancellor, President and CEO (Term ended 31 May 2021)	13,514	15,066
Dr Mary Bishop (Quality Assessment Committee member): Visiting Chair, Staffordshire University*	10,436	-
Dr Mary Bishop (Quality Assessment Committee member): The University of Bath, Teaching fellow	10,312	10,325
Dr Graeme Pedlingham (Quality Assessment Committee member): Deputy Pro-Vice-Chancellor for the Student Experience, University of Sussex* (Term commenced 1 November 2021)	8,533	-
Chris Millward (Director of Fair Access and Participation): Royal College of Art (The) – partner is a director (Term ended 31 December 2021)	5,169	5,338
Monisha Shah (board member): Rose Bruford College of Theatre and Performance, Chair	2,466	1,024
Paul Kirkham (Quality Assessment Committee member): Institute of Contemporary Music Performance (ICMP), Chief Executive	2,401	648
Chris Millward (Director of Fair Access and Participation): Bath Spa University, Partner is a board member* (Term ended 31 December 2021)	2,397	-
Dr Mary Bishop (Quality Assessment Committee member): Arden University Ltd., Non-executive Director and Chair of the Audit Committee	1,683	2,189
Kate Lander (board member): Sparsholt College, father in-law is a Governor and member of the Resources Committee	591	519
Verity Hancock (board member): Leicester College, CEO and Principal	477	608

Nils Franke (Quality Assessment committee member): University Centre Colchester, Dean of Higher Education	263	430
Professor Amanda Chetwynd (Quality Assessment Committee member): The University of Lancaster, Provost for Student Experience, Colleges and the Library**	-	8,129

* Although there may have been prior year transactions with these organisations, there was no prior registered interest.

** No registered interest in 2021-22

There are no outstanding balances with these parties as at 31 March 2022.

The OfS has had no material transactions with companies whose directors are closely associated with it. In this context 'closely associated' refers to board members, committee members, or directors. These individuals may have other relationships through family members who are employees or students in institutions funded by the OfS, or through membership of governing bodies. Details of relationships are held in the OfS's register of interests and are available on our website.¹⁰⁶

¹⁰⁶ See www.officeforstudents.org.uk/about/who-we-are/our-board-and-committees.

15 Events after the reporting period

In accordance with the requirements of IAS 10, events after the reporting period are considered up to the date on which the accounts are authorised for issue. This is interpreted as the date of the Audit Certificate and Report of the Comptroller and Auditor General.

The OfS has considered the current situation regarding the COVID-19 outbreak and concluded there is no material financial impact to be reported.

Office for Students
Nicholson House
Lime Kiln Close
Stoke Gifford
BRISTOL
BS34 8SR

tel 0117 931 7317

www.officeforstudents.org.uk

E02743763

978-1-5286-3304-8