

Annual report and accounts

2024-25

HC 1080



Office for
Students

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The Office for Students

Annual report and accounts 2024-2025

For the period 1 April 2024 to 31 March 2025

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

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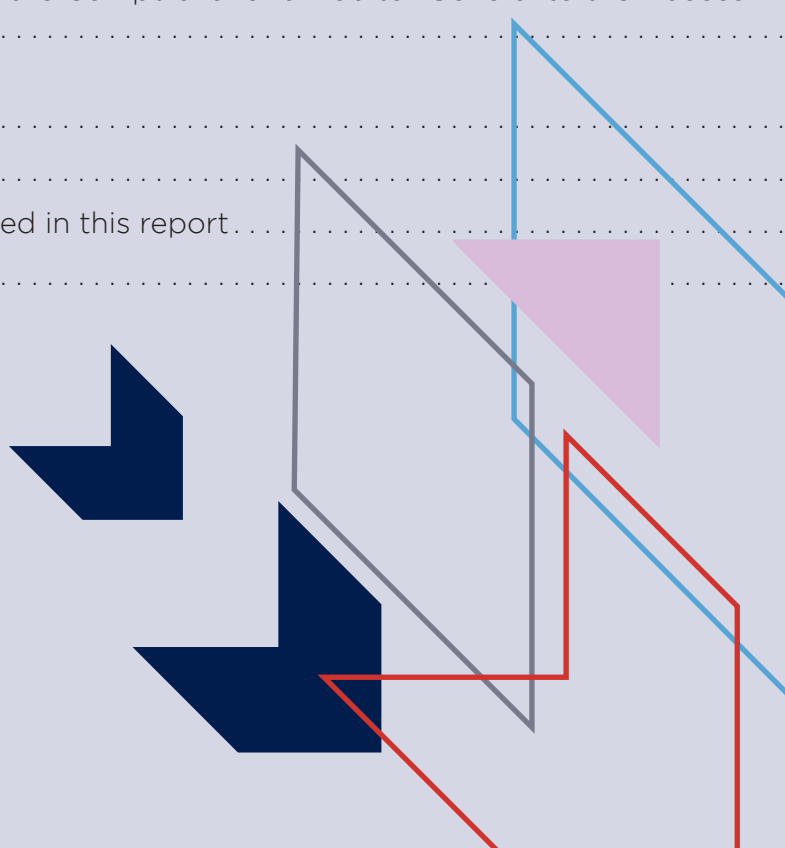
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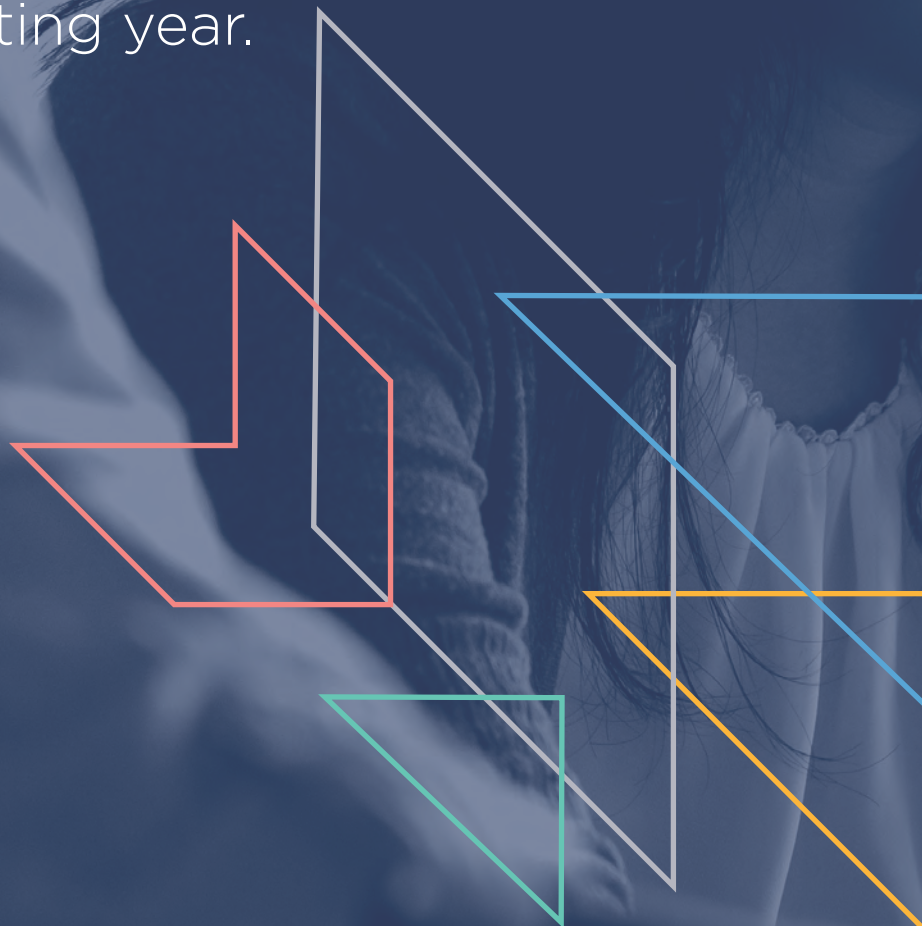
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Performance report

Performance overview

This section is an overview of the work of the Office for Students (OfS). It sets out our purpose, our aims, our performance, and the impact and management of key risks during the 2024-25 operating year.



Chief executive's statement



Susan Lapworth

OfS chief executive

This Annual report highlights the OfS's most significant work during the final year of our current strategy; a year that saw the OfS increase engagement with institutions about financial challenges across the sector, launch a refreshed approach to student insight, and begin to work with a new government.

As we come to the end of our current strategy, we have been looking ahead with a consultation on a new strategy for 2025 to 2030. This explains what we think our priorities should be and why, and what we plan to do. At its heart is a focus on the interests of students. The proposals set out a sharper purpose for the OfS: it will ensure that students from all backgrounds benefit from high quality higher education, delivered by a diverse, sustainable sector that continues to improve.

Sector resilience

Financial data from universities and colleges in England suggests that the higher education sector is facing considerable pressure. Financial performance continued to weaken in academic year 2023-24, compared with 2022-23, and forecasts suggest it weakened even further in 2024-25. Many institutions forecast that their financial performance will start to improve from 2025-26 onwards but that this improvement will be slower than they had previously predicted. The forecasts underlying this recovery are based on assumptions of future student growth that we consider to be overly ambitious.

Our work this year was shaped by the growing financial risks affecting institutions, as set out in the financial sustainability reports we published in May and November 2024.¹ To register and remain registered with the OfS, higher education providers must show that they are financially sustainable, submitting financial information to the OfS routinely and whenever something material changes.

Universities and colleges are autonomous institutions, responsible for their own financial performance. We recognise the increasingly challenging financial environment in which they operate. This reality is reflected in our proposed goal for our 2025 to 2030 strategy for ‘a financially resilient sector which delivers high quality higher education and student choice in the context of constrained finances’.

Due to the growing risks to students, we temporarily refocused our resources to enable direct engagement with universities and colleges in response to the financial challenges facing the sector. We paused accepting new applications and the assessment of some existing registration, degree awarding powers and university title cases.² This meant we had additional resources to work with individual institutions to understand financial risks, ensuring that we had up to date and accurate information for those facing financial challenges and taking account of autumn 2024 student recruitment. It also provided additional resources needed to take action to protect students where a provider was at risk of imminent closure. The ‘Sector resilience’ section of this report highlights how significantly our work to assess risk and monitor financial health has developed in recent years and explains our approach to monitoring and intervention.

Where appropriate, we share intelligence about financial risks with government and other partners to support a joined-up approach across the whole higher education system. Government provided us with additional funding of £1.5 million for the 2024-25 financial year to commission support for financial sustainability reviews. This contributed capacity and a greater range of expertise to support our financial monitoring and assessment. We use external support when we think the financial context for individual institutions is particularly complex; for example, if there is significant strategic change or a complex business model. The experts from these firms can offer targeted advice. Working with them is a routine part of our financial sustainability work and is not a signal that an institution is experiencing an increased level of financial risk or that it is at risk of financial failure.

Throughout our work on financial sustainability, the need for stronger governance in institutions has emerged as a common contributing factor. In our sector communications, and in interactions with individual providers, we routinely raise the importance of proactively testing the sustainability of business models and effective decision-making by governing bodies.³

One of the OfS’s roles is to decide which higher education providers should be allowed to join our Register and so enter the regulated sector. During the temporary pause in accepting new applications we have taken steps to streamline our processes and requirements for registration and degree awarding powers so we can reopen in August with a system that works more efficiently. In February 2025, we consulted on changes to the entry tests for registration in relation to treating students fairly and effective governance. Our proposals also

aim to make the process smoother for applicants that are well prepared to provide higher education, while making it easier for the OfS to refuse applications from those not ready to join the Register.

These changes are essential because registering with the OfS allows institutions access to significant streams of public funding. This includes £10.7 billion available through student loans for tuition fees and £10 billion in research-related income and other public funding sources.⁴⁵ Registration with the OfS also allows institutions to access international student fees by enabling them to apply for or maintain a Home Office student sponsor licence.

Students and taxpayers must have confidence that this funding will be used effectively to deliver high quality and sustainable higher education. This year we focused on the risk that public funding may be misused or that students and taxpayers may not receive value for money due to weak controls in subcontractual partnership arrangements. A lead provider in a subcontractual arrangement is a university or college that authorises another organisation (a delivery partner) to deliver all or part of a higher education course on its behalf.

We have continued to work closely with the Department for Education (DfE) and the Student Loans Company (SLC) this year to more effectively share intelligence, escalate concerns, and clarify lead responsibilities for audits and investigations. We do this while maintaining the OfS's position as an independent regulator. We are also working with government to address gaps in the overall system of assurance for student loan funding.

To share concerns with the sector, we published an Insight brief highlighting the substantial risks arising from poor practices in subcontractual provision and the need for effective oversight by lead providers.⁶ As a

pilot initiative, we published student outcomes data for institutions involved in large partnership arrangements to increase transparency in this area.⁷ We also increased our supervisory activity with universities that are significantly involved in subcontracting.

An outcome of this work was our imposition of a monetary penalty of £115,000 on Leeds Trinity University (LTU) after an investigation in respect of the period from October 2022 to February 2024 identified that the university did not have effective arrangements in place to respond to rapid growth in its subcontractual provision. Under the terms of the agreed settlement, the university has accepted it breached the OfS's regulatory requirements relating to management and governance, has paid the monetary penalty, and has agreed to a range of measures which include restrictions on its future partnership activity.⁸

Enforcement work focused primarily on concerns about the misuse of public funding including an investigation into an institution, the Applied Business Academy, where we found serious concerns, including that only six per cent of student placements offered as part of the provider's Diploma in Education and Teaching course were suitable. During the investigation the institution ceased offering higher education courses which meant we could not conclude our investigation, but we published our findings to help institutions with similar courses ensure that their student placements deliver benefits to students.⁹

The DfE consulted on its proposals to require larger subcontractual delivery partners to be registered with the OfS by September 2027, to continue to access student finance. Our proposals to strengthen the OfS's initial registration tests for new entrants complemented the DfE's proposed changes and, if taken forward, will together protect students' interests and public funding.

Quality

The OfS is dedicated to improving the quality of higher education for all students, ensuring they get value for their money and protecting the reputation of English higher education. In our regulation of quality, we focus on students' academic experiences, access to resources and support, student outcomes, and the credibility of academic qualifications. Our regulatory framework encourages universities and colleges to continually improve their courses. When we identify quality concerns for a particular institution, we take action to address them. Quality works hand in hand with equality of opportunity. We believe that students from all backgrounds deserve a high quality academic experience and the support they need to succeed.

A highlight of our work on quality this year was the completion of our programme of subject-focused quality assessment reports in business and management, and in computing. These assessments were informed by expert academic judgements and revealed some breaches of our ongoing requirements for quality. In this financial year, we also published an Insight brief summarising factors affecting the quality of courses based on our subject-based assessments.¹⁰ The Insight brief identified the main risks for delivery of courses, including not keeping course materials up to date, with a need for virtual learning environments in particular to be rigorous and thorough in their approach. Other risks were that teaching staff and lecturers may not be equipped to deliver courses to a consistently high standard, or that delivery models may not remain well suited to the students taking the course.

Through roundtable discussions, we gained valuable insights from the sector's experience of the assessment process. We will implement steps to improve the efficiency and effectiveness of our future assessments, while continuing to produce high quality, credible reports.

We expect institutions to deliver positive outcomes for their students. Our condition B3 sets out minimum expectations for student outcomes, including for student continuation and completion, as well as their progression to managerial or professional employment, further study or other positive outcomes. This helps us to ensure that students from all backgrounds are protected from performance below our minimum expectations regardless of what, where and how they study.¹¹ This year we concluded our first programme of student outcomes assessments (in relation to condition B3 work).¹²

A high quality higher education experience also requires students to be exposed to a wide range of academic thoughts and arguments, which should include all kinds of lawful speech. Freedom of speech and academic freedom are essential underpinning values for higher education.

The Higher Education (Freedom of Speech) Act 2023 was enacted to protect and promote free speech in universities.¹³ Implementation of some of its key provisions was paused in the summer of 2024 following the election of a new government, and in January 2025 the Secretary of State announced her plans for the future of the legislation.¹⁴ Since then we have restarted our preparations for new duties coming into force for institutions and the OfS in the summer.

In March 2025, the OfS imposed monetary penalties totalling £585,000 on the University of Sussex after our investigation found the university's governing documents failed to uphold freedom of speech and academic freedom, as well as failings in the university's management and governance processes.

The wider student interest

We refer to the wider student interest as areas of priority or concern for students that extend beyond teaching and learning. This includes ensuring high quality education, fair treatment, and the delivery of promised services.

It is essential that we effectively involve students in our regulation to ensure we achieve the desired outcomes. Over the past year we have worked hard to strengthen the impact of students' voices in our work. We are transforming our approach to seeking insight from students, expanding our use of polling and focus groups to develop a more sophisticated understanding of students' experiences of higher education. We are also extending opportunities for input from students about what matters most to them. We held student briefing events and prepared to launch our new Student Interest Board in May 2025, which will advise the OfS board, inform policy development, and help us further to act in the interests of students. And finally, we are reviewing the tools that we use to make important information about institutions and courses available to students.

Students' experiences of higher education are evolving, reflecting more varied priorities and expectations within the student population. Rising numbers of students are in paid employment in term time.¹⁵ We know that limited equality of opportunity affects many current and potential students. Our Equality of Opportunity Risk Register identifies 12 sector-wide risks that may affect a student's opportunity to access and succeed in higher education and 13 student characteristics that may indicate there are risks to equality of opportunity, such as coming from a low-income household or having a disability.¹⁶ Inequalities affect access to higher education and also affect students' ability to continue through and complete their course, and progress into careers after studying. We are committed to promoting access, success, and progression in higher education for all students.

We also know that many factors affect students' experiences. Availability of good affordable accommodation, the cost of living, pressures on mental health and wellbeing, and experiences of harassment and sexual misconduct all feature prominently in our discussions with students about barriers to their success.

We use a combination of funding, guidance, evidence of effective practice, and sharper regulation, to support universities and colleges to make further progress towards equality of opportunity. One of the main ways that we support and challenge many institutions is through our requirements for evidence-based access and participation plans. In this reporting period we considered and approved over 180 plans.

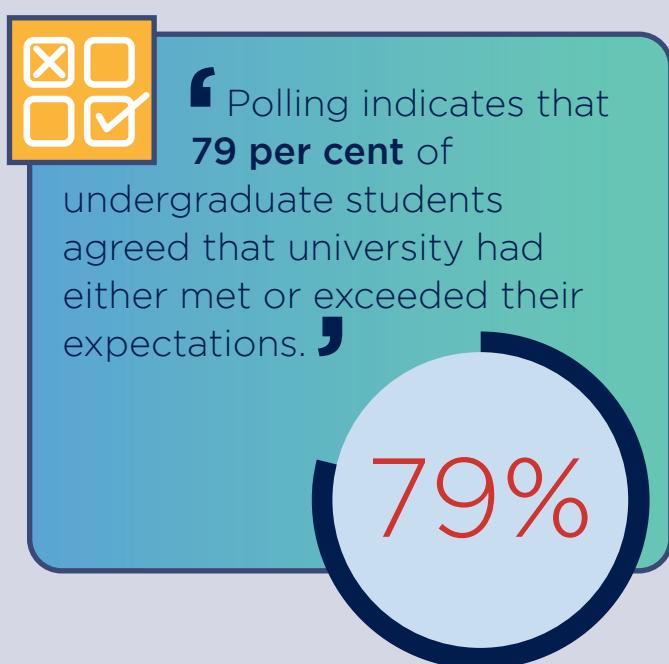
We worked with the sector to embed evidence-informed practice and evaluation in areas such as mental health, and we are strengthening regulation to prevent harassment and sexual misconduct. These are areas that students have told us are of great importance to them. Universities and colleges will now need to maintain a single comprehensive source of information about how they will prevent harassment and sexual misconduct and deal with incidents that do occur. And they will need to engage with their students as they develop their approach.¹⁷

We have strengthened our engagement with students through quarterly online briefings for students and their representatives, with opportunities for them to speak directly with us. We have increased the frequency of our student polling and explored issues such as the experiences of international students and student mental health.

There are constraints on our ability to address some student concerns directly, such as those arising from the cost of living. But, we can gather insights from students to understand how far their experiences meet

their expectations and explore the barriers that prevent students from making the most of their time in higher education. As we do so, we are particularly mindful of the experiences of students from disadvantaged backgrounds.

We have used student insight, in the form of polling, online surveys, focus groups and discussions with the OfS Student Panel, to develop our understanding of issues affecting students.



It is particularly important that we understand what 'regulating in the student interest' means in practice, and our research on this has directly informed our proposed new strategy. To explore what students consider the essential components of positive higher education experiences, we worked iteratively through various polls and focus groups. We polled 1,761 students with Savanta, including undergraduates, postgraduates, and graduates. We hosted two text-based online focus groups with YouGov and conducted an online survey with 750 prospective, current, and postgraduate students. And we organised an online focus group with students from small and specialist providers, with the support of GuildHE.¹⁸

Students told us:

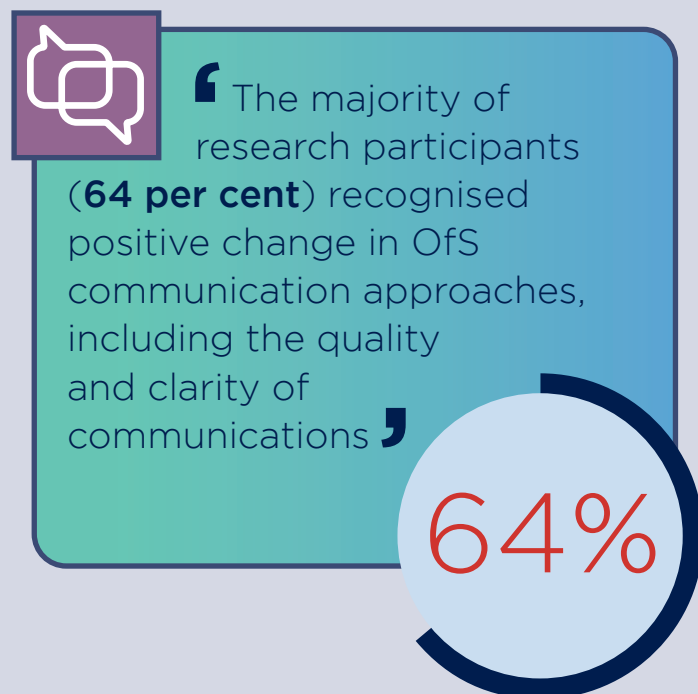
- They want a high quality education that enables them to acquire knowledge and develop skills that help them secure good jobs.
- They expect their institutions to treat them fairly and to deliver what they promised.
- They want tailored learning experiences and access to academic resources and support, delivered in supportive and enriching environments that meet their personal as well as their academic needs.

We recognise that financial pressures and broader uncertainties facing institutions are affecting students and increasing the risks of students not being treated fairly. We have stressed that institutions making difficult financial decisions must continue to meet the commitments they made to students. While earlier polling suggested that students did not view the financial resilience of their institution among their main concerns, recent online discussions with students suggest this position may be changing. 150 people attended our first online student debrief in December 2024. We asked students about the key issues they are currently facing in higher education and what they would like to hear about from us. We used the answers to these questions to set the agenda for future briefings. In March 2025 we discussed how financial challenges in the sector are affecting students' experiences. Students raised concerns including stretched academic and support staff, a reduced selection of modules and classes, and the closure of some courses.

Working with the sector

Throughout the year we maintained our focus on developing strong working relationships with universities and colleges. Independent research we commissioned found that perceptions of the OfS's engagement and communications have

improved in the past 18 months.¹⁹ The research was based on 44 interviews with vice-chancellors, principals and other senior staff at institutions regulated by the OfS.²⁰



We received positive feedback about our direct engagement with vice-chancellors and principals through our regular mailings and briefings. There were also suggestions about how we can continue to improve our relationships with the sector, including making more opportunities for two-way engagement and further tailoring our communications. We are acting on this feedback and have introduced more interactive formats for many of our events and are tailoring more of our engagement work. We have also developed new guidance for OfS staff on 'tone of voice' to improve the consistency and clarity of our written communications to universities and colleges.

We have engaged extensively with universities and colleges (and sector bodies) on changes to our regulation, such as implementation of our new requirements on harassment and sexual misconduct, and proposals for revised initial conditions of registration.

Looking forward

From December 2024 to February 2025, we asked students and staff at universities and colleges to respond to our proposed agenda for change and to guide our priorities over the next five years. Our proposed strategy for 2025-30 prioritises quality, the wider student interest, and sector resilience in an uncertain and challenging environment.²¹ Equality of opportunity underpins each of these priorities. Our strategy also highlights the key role that universities and colleges play in driving growth both nationally and locally. It proposes transformation of the OfS's approach to regulating quality, with the development of an integrated approach that supports continuous improvement across the sector. It seeks to strengthen the OfS's role as a champion of the student interest, by ensuring students are treated fairly. It also aims to support the resilience of the higher education sector, including through a strengthened focus on effective management and governance, recognising that this is a prerequisite to delivering all our other strategic goals.

The strategy anticipates work with the DfE and the sector on wider higher education reform. Learners will be able to apply for Lifelong Learning Entitlement (LLE) funding in September 2026 for courses and modules starting from January 2027. We are working with the DfE to ensure that the benefits of LLE can be realised while ensuring appropriate accountability for protecting public funds, quality and financial sustainability.

Feedback on our draft strategy was rich and wide ranging. Respondents gave broad support for our strategic priorities, welcomed the focus on the student interest and supported the proposed extension of the strategy period to five years. We heard support for a more integrated approach to quality but with questions about how this would work in practice, with many

respondents emphasising the need to recognise the diversity of the sector and avoid a 'one size fits all' approach. Many respondents reflected on the financial challenges facing the sector, agreeing that sector resilience should be prioritised. Against a backdrop of increased pressure on institutions' resources, many underlined the importance of minimising regulatory burden, avoiding duplication and working with others to streamline the regulatory environment where possible. Respondents challenged us to use data and intelligence more efficiently and emphasised the need to work collaboratively with the sector as we further develop strategic proposals.

We value this feedback and constructive challenge and would like to thank everyone who shared thoughts and reflections over the consultation period. We plan to publish our finalised strategy in the autumn.

Finally, I would like to thank Sir David Behan for his leadership while serving as interim chair and welcome Professor Edward Peck who succeeds him in July 2025. I am also grateful to the members of our board and committees, a number of whom are nearing the end of their terms having been with the OfS since 2018. I thank them all for their significant contributions to the OfS as it has developed and matured as a regulator. And, of course, none of our important, complex work would be possible without the hard work and professionalism of my OfS colleagues – they deserve particular thanks for their individual and collective contributions to the ongoing success of higher education in England.

Susan Lapworth, Chief Executive

About us

The OfS is the independent regulator for higher education in England. The OfS was established by the Higher Education and Research Act 2017 (HERA).²² As a non-departmental public body, we report to Parliament through the DfE. We receive statutory guidance from the DfE, but our operations are independent of government.

We protect the interests of students by regulating a diverse higher education sector. The higher education sector comprises multi-faculty universities, small specialist institutions, further education colleges and private companies, and has huge economic impact and social importance.

Our aim, set out in our proposed new strategy, is to ensure that students from all backgrounds benefit from high quality higher education, delivered by a diverse, sustainable sector that continues to improve. 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.

Our regulatory framework contains four primary regulatory objectives so that all students with the ability and desire to undertake higher education:

- are supported to access, succeed in, and progress from, higher education
- receive a high quality academic experience, and their interests are protected while they study or in the event of provider, campus or course closure

- are able to progress into employment or further study, and their qualifications hold their value over time
- receive value for money.²³

How we were organised during the year and our senior team

Susan Lapworth
Chief Executive



Our executive team is supported by colleagues in three directorates: Regulation; Strategy, Delivery and Communications; and Resources and Finance. Information about OfS board members is in the 'Corporate governance report' and online.²⁴

How we regulate

The OfS is a principles-based regulator, which means that we express our regulatory requirements in a way that is appropriate for a diverse and autonomous sector. We set our requirements to represent the performance to which students and taxpayers are entitled. All registered providers are required to satisfy these. We monitor compliance with our requirements, targeting our work on the universities and colleges most at risk of breaching conditions.

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 its students to access student finance), or both.



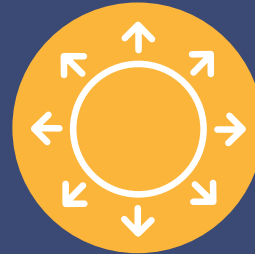
Apply to the Home Office for a student sponsor licence to recruit international students, or to maintain an existing licence.



Apply for degree awarding powers to award its own degrees, for university title, or for both.



Over
420
providers are
registered with the OfS



And they teach or
supervise over
2.5 million
students

Providers can apply to register in one of two categories – Approved (fee cap) and Approved – which provide access to different benefits. The level of fees charged is determined by the Secretary of State and set out in secondary legislation.

In return for compliance with the OfS regulatory framework and conditions of registration, universities and colleges receive significant income streams. In the 2023-24 academic year, registered providers in England received approximately:²⁵



**2023-24
academic year**

**£10.3
billion**

in course fees
from international
students

**£10.7
billion**

through student loans
for tuition fees

**£10.0
billion**

of registration-contingent
research and other
public funding

Strategy development

The 2024-25 financial year was a transition year for the OfS. We developed and consulted on a new strategy for 2025-30, with the interests of students at its heart. The government is working on a new higher education strategy aimed at reforming the sector to better meet the country's future needs. We aim to publish our strategy in the autumn of 2025.

Our strategy from 2022-25 focused on three areas:

- Quality and standards
- Equality of opportunity
- Enabling regulation.

Our new strategy for 2025 to 2030 brings to the fore the interests of students and the need to build sector resilience in the face of significant challenges.²⁶ Our proposed strategic priorities are:

- Quality
- The wider student interest
- Sector resilience, which encompasses financial sustainability and effective management and governance within institutions.

Equality of opportunity will continue to be integrated throughout our work, recognising and reinforcing that it is fundamental to our purpose and the way we regulate. This is because extending equality of opportunity without ensuring quality will not lead to positive student outcomes. Protecting quality without extending equality of opportunity, meanwhile, prevents students who could have benefited from higher education from doing so. Our work to promote the wider student interest will help create environments that support all students to succeed, with our attention focused on those most exposed to risks to equality of opportunity.

These changes to our strategic priorities reflect the things students have told us matter to them and take into account the wider pressures and challenges facing both students and institutions.



Within our focus on the sector's resilience, we want to ensure that choice and opportunities for students from disadvantaged backgrounds and underrepresented groups continue to expand rather than reduce, even where the sector is facing financial pressures.

How we measured and reported our progress in 2024-25:

- Monthly reviews of our business plan to take account of changes in the external environment.
- Quarterly in-depth reviews of activity-level progress within the business plan; strategic risks; technology issues; staff resource; communications; and the OfS's financial position.
- Updates to the OfS board and its Risk and Audit Committee (RAC) on performance and the risks to delivery.
- Reports to the DfE.

- Continued programme of evaluation to better understand the impact of our regulatory activity.

We publish key performance measures (KPMs), which reflect the areas of focus in our 2022-25 strategy, and refer to progress in our performance analysis.²⁷ These KPMs mainly describe what is happening in the sector. We are considering how we should develop our KPMs for our new strategy for 2025 to 2030 and better track our performance in this new context. We also publish operational measures (OMs). The 'Operational measures for core regulatory activity' section summarises progress against each OM.

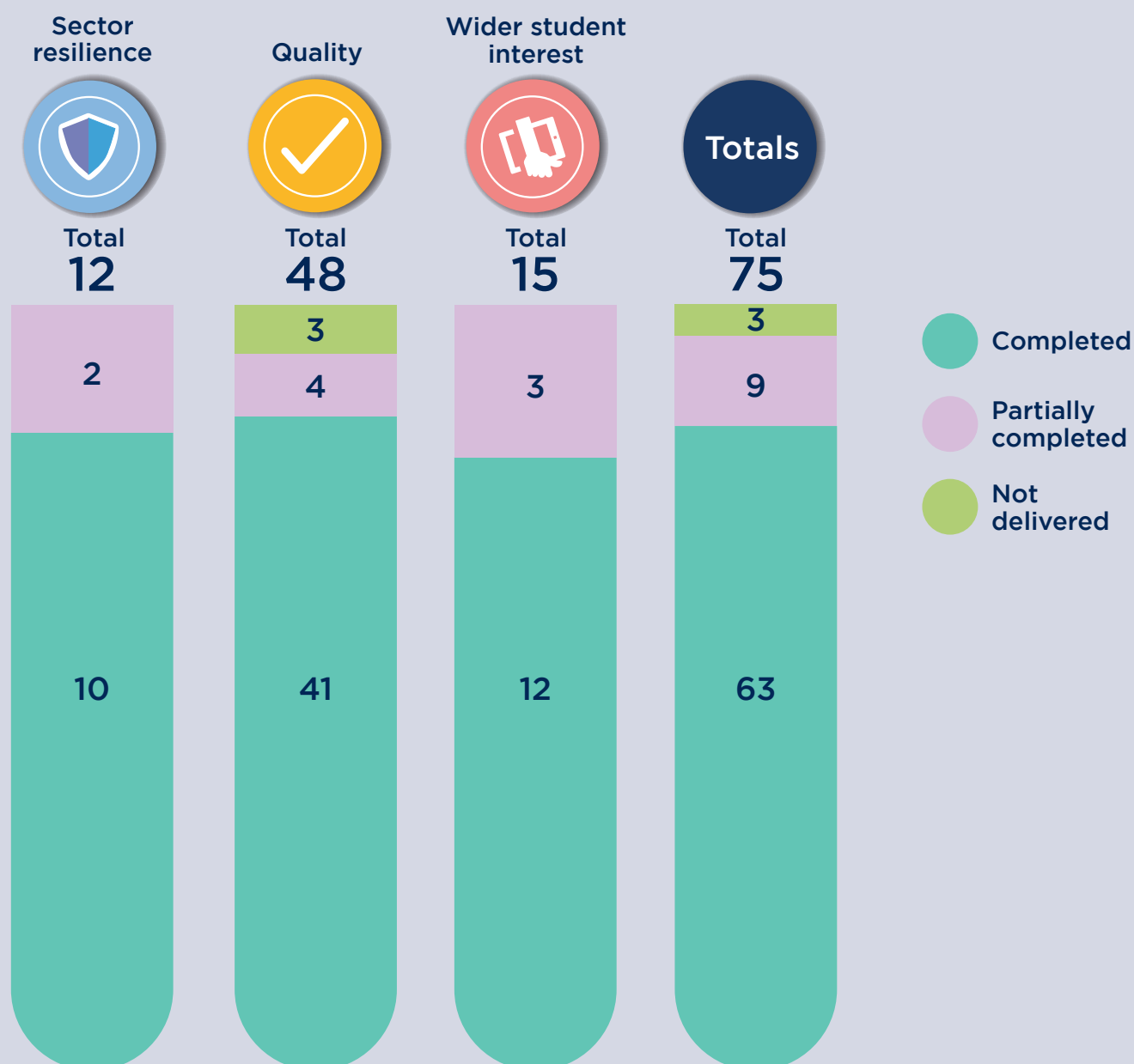
Engaging with universities and colleges

We work hard to communicate and engage with universities and colleges across England. We do this because two-way, trust-based relationships with the institutions we regulate are an important foundation for effective regulation. The chief executive's statement sets out how we have worked hard to improve our engagement with the sector and our progress in this area.

In October 2024 we published findings from research on sector perceptions of OfS engagement and communications. The changes we made to OfS communication channels, for example our regular mailings and events, were well received. However, the research found there was room to build on these improvements, for example, creating more opportunities for dialogue. The research also revealed that those who have had direct contact with OfS staff had a more positive impression of the OfS.

In response to the research findings, we have made our events more interactive and have taken steps to tailor our communications for different providers. We have implemented new 'tone of voice' guidance for OfS staff, to help ensure our written communications to providers are clear, active and human. The 'tone of voice' guidance also encourages

Delivery of activities in 2024-25 by the three main areas of focus



more direct, informal engagement with providers, noting the positive impact this has (as reported by respondents to the survey).

We visited more than 60 universities and colleges this year. Visits help us to develop our understanding about the challenges institutions face and provide an opportunity for staff and students to ask questions about our approach to regulation and give us feedback. We are taking steps to improve how we share learning from these visits, both internally and externally.

We have increased our engagement with chairs of providers' governing bodies, hosting online 'Introduction to the OfS' events for new chairs at universities, specialist providers and further education colleges in February 2025 and in March 2025. We hosted three regional in-person events for more than one hundred chairs of governing bodies to discuss effective governance in higher education.

Communications and engagement highlights

1 April 2024 to 31 March 2025

Engagement

3 briefings

for accountable
officers, **each**
with over
300
attendees



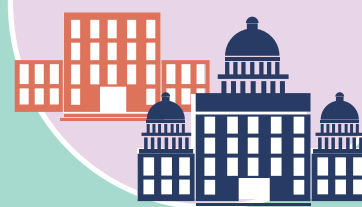
18 OfS mailings

to accountable officers



64 visits

to universities
and colleges



Digital

YouTube

604

subscribers

▲ **104**

You Tube

18,972

video views



Email newsletters

OfS alerts

8,162

subscribers

▲ **3.8%**

OfS Update

7,216

subscribers

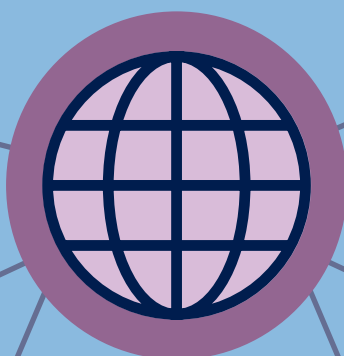
▲ **17.1%**



Web engagements

3.2
million

visits to our
website from
1.8 million
people



Consultation
on OfS strategy for
2025 to 2030

7,482
visits



News users

217,119

visits



Blog users

36,355

visits



data dashboard

244,502

visits



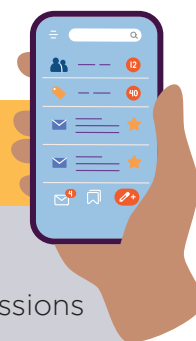
New page
about Condition E6
Harassment and
sexual misconduct

14,152

visits

Communications and engagement highlights

1 April 2024 to 31 March 2025



Social media highlights



LinkedIn

466,562 organic impressions
28,849 followers



X

302,894 organic impressions
19,648 followers

Events



Two new quarterly student debrief sessions, with **over 200 attendees** at each session



Twelve in-person and online strategy 'listening and feedback' sessions, reaching a total of around **1,000 attendees**



An in-person Insight event, with **over 80 attendees**, focused on helping providers identify and assess financial risk and ensure students' interests are protected



Two webinars to help providers and students better understand our new requirements to tackle harassment and sexual misconduct, with **over 600 attendees**



Three in-person governance workshops with chairs of governing bodies, with **over 100 attendees**

Media highlights



Significant media coverage from the national press, with particular interest in our work on financial sustainability, freedom of speech, and harassment and sexual misconduct



In-depth interviews with OfS spokespeople from the BBC's television and radio news broadcasts, Times Radio, Politics Home, The Guardian, and The Times



Opinion pieces from directors in The Times, Wonkhe, and Research Professional



Multiple on-record briefings with sector and national press

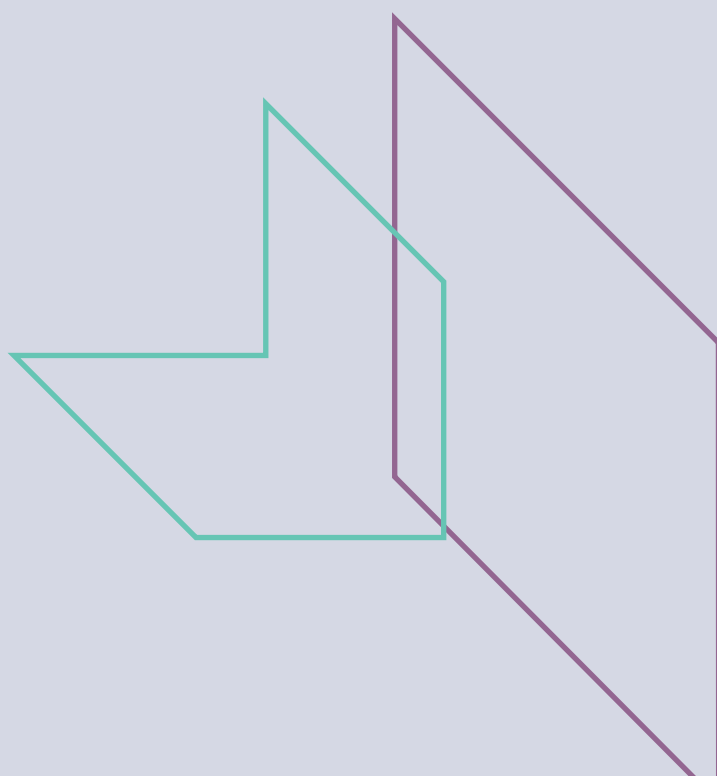
We continued to engage directly with vice-chancellors and principals through our quarterly webinars hosted by our chief executive and have changed the format to allow for more opportunities for dialogue, which has been well received. Heads of institutions also receive a fortnightly mailing from the OfS chief executive about news, publications and things to look out for, which was cited in our provider perceptions research as one of the most popular ways for providers to receive information from the OfS. We hosted an in-person introductory event to help new heads of institutions to understand more about the way we work and what to expect.

We also engage with higher education professionals through regular publications, events and webinars. This year, this included a series of tailored events for students, student representatives, universities, specialist providers, and colleges on our proposed new strategy. There were also a range of opportunities to discuss our proposed reforms to the OfS's registration requirements, including listening events and open 'question and answer' sessions. In addition, we hosted an in-person event in London that brought together a range of governance and finance staff from providers to discuss the findings of our annual financial report 2024. The event had over 80 attendees. It discussed how providers can identify, assess and address financial risk, protecting students' interests in times of financial difficulty and facilitated discussion on practical ways for institutions to navigate these risks.

Our principal risks

We identify, assess, manage, review and record risks in line with our risk management policy and approach. This is described in more detail in our Corporate governance report.

There are three levels of risk: strategic, corporate and operational. Our strategic risks are overseen by our board with advice from the RAC. Our risk management framework aligns our corporate risks with strategic risks.



Our principal risks

Our main strategic risk areas during the 2024-25 financial year were assessed as follows:



Risk	We mitigate this risk by...
Financial sustainability of providers and disorderly market exit: the risk of providers not being resilient to financial challenges, which could lead to the unplanned closure of higher education provision and the inability of students to complete their courses	• monitoring the financial viability and sustainability of providers • engaging with providers to better understand the issues they are facing and setting expectations for how they should assess their own financial risks • requiring providers to report risks as they emerge • maintaining and developing robust market exit procedures, including using condition C4 of our regulatory framework to intervene in a targeted way when there is a material risk that a provider may cease to provide higher education within the next 12 months • evolving our approach to monitoring financial risk and developing our ability to stress test the sector's finances
Protecting public funding: the risk that public funding is used in relation to students who are not genuine, particularly in subcontractual arrangements	• operating a robust funding assurance programme for funding distributed by the OfS • operating a data assurance audit programme • undertaking casework in response to relevant notifications and reportable events • working closely with DfE and SLC to mitigate risks • further developing our regulatory approach to effective management and governance in providers
OfS delivery and resources: the risk that changing expectations on the OfS, and changes in risks in higher education, together with cost pressures, could lead to insufficient funding, capacity and resources for the OfS to fully deliver its functions	• robustly reviewing and prioritising activities in the OfS business plan to ensure focus on the highest regulatory risks • assessing progress towards our strategic goals and business plan deliverables at regular checkpoints, and ensuring we respond to change in a flexible and managed way • implementing our OfS People Strategy for 2024 to 2028 • delivering efficiency savings
Data quality: the risk that data is not of sufficient quality, or is not available as we require, which could impact on our ability to deliver our functions. The challenges experienced with the implementation of Data Futures created additional risks to the quality of data	• maintaining close oversight of Jisc's delivery of Data Futures • carrying out an independent review of the challenges experienced with the delivery of the 2022-23 student data collection • operating the annual data assurance programme in a way consistent with regulatory priorities and risk • delivering our internal Data Transformation Programme



Risk	We mitigate this risk by...
Maintaining strategic clarity: the risk that a rapidly changing external environment for higher education could lead to a lack of clarity about the OfS's purpose and role for stakeholders, including students	• implementing the strategy for the period from 2022 to 2025, which sets a clear strategic agenda • engaging widely on the development of the new 2025-2030 strategy • delivering visible effective regulation in practice, demonstrating how our approach protects the interests of students and taxpayers • clearly communicating the boundaries of the OfS's powers and duties and the approach set in the regulatory framework • maintaining good working relationships with the DfE and other key stakeholders, • strengthening our relationships by increasing our engagement with the sector at different levels • refreshing our approach to engagement with students, including strengthening the OfS's insight function to gain regular intelligence from students on what matters to them
Effectiveness of regulation: the risk that our approach to regulation, its implementation, and the response of others in the system do not deliver the outcomes we wish to see	• evaluating the impact of our policies • carefully considering the incentives created by any new requirements • using KPMs designed to assess the impact of our regulation • improving communication and engagement with all stakeholders, including with students, on the development of regulatory policy issues
Legal risk: the risk that the complex legal context and the range of novel issues we face leads to our regulatory risk appetite not being set in the right place, which could result in suboptimal delivery of the outcomes we want to see	• ensuring the effective operation of our regulatory framework and the effective functioning of the Provider Risk Committee • maintaining sufficient expertise and resource in the legal team • ensuring that regulatory risk appetite is set by the board and communicated through the organisation • delivering effective learning and development on our public law obligations and how to meet them in practice, with senior policy staff responsible for effective implementation
Cyber security: the risk that ever-changing external threats could lead to OfS services being disrupted or information being compromised	• continuing certification that OfS meets the requirements of the Cyber Essentials Plus scheme • 24-hour security monitoring systems in place to monitor our networks • mandatory training on cyber and information security to increase awareness of threats

Financial performance

Our income

Total income for the year was **£1,621 million** (2023-24: £1,638 million).

Operating income

As an independent regulator, most of our operational income comes from an annual registration fee paid by all registered providers. In the 2024-25 financial year, the OfS received **£31.6 million** (2023-24: £29.8 million) in registration fees from universities and colleges.

The total value registration fees paid by registered providers to the OfS in 2024-25 represented approximately 0.1 per cent of the income to which they gain access by virtue of registration with the OfS.²⁸ We agree our operational budget with our sponsor department, the DfE, each year. The level of registration fees charged is determined by the Secretary of State and set out in secondary legislation. They are based on rates set to meet most of the OfS's operating costs.

Programme income

In the 2024-25 financial year, the OfS received a total of **£1,587 million** (2023-24: £1,606 million) of grant in aid funding from the DfE. The majority of funding is for the Strategic Priorities Grant (SPG), which we allocate to providers. The remaining quantity consists of smaller, ring-fenced grants designated to support specific policy initiatives and a small amount of administrative funding to assist with OfS operating expenses. The section on programme expenditure below provides more information about how we use grant funding. This grant in aid is treated as financing in accordance with guidance in HM Treasury's Financial Reporting Manual.

Expenditure

Total expenditure in the year was **£1,623 million** (2023-24: £1,636 million).

Operating costs

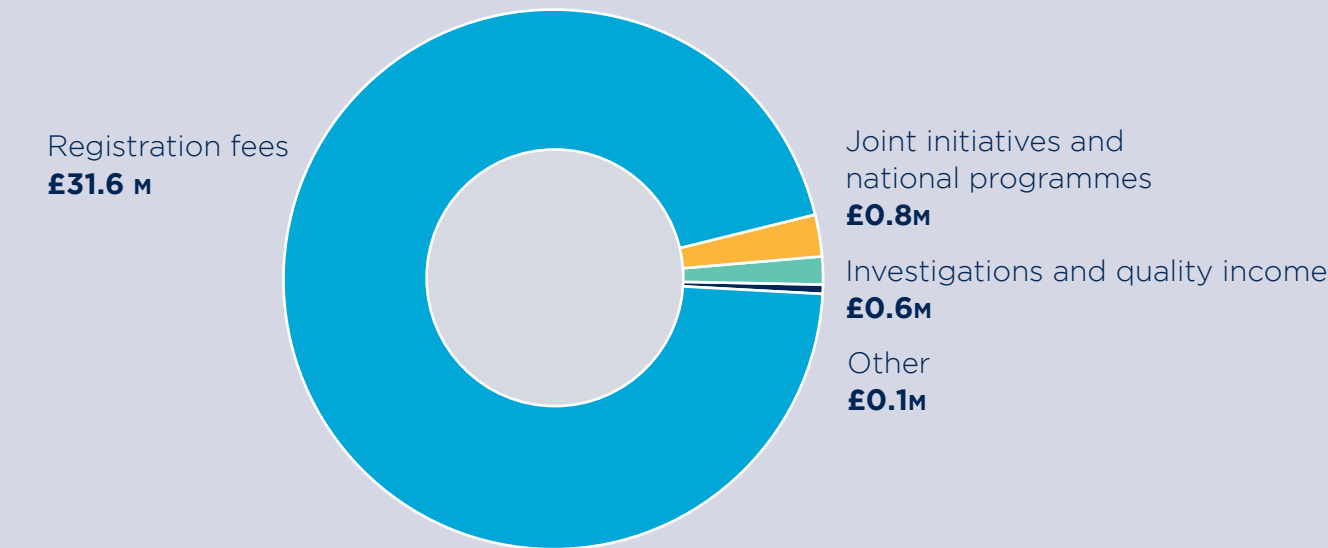
Most of our operating costs relate to staff. Other significant areas of expenditure are premises and office costs, including IT. The OfS's total operating costs in 2024-25 were **£33.3 million** (2023-24: £30.6 million). Further information is provided in notes (2) and (5) of the financial statements.

Programme expenditure

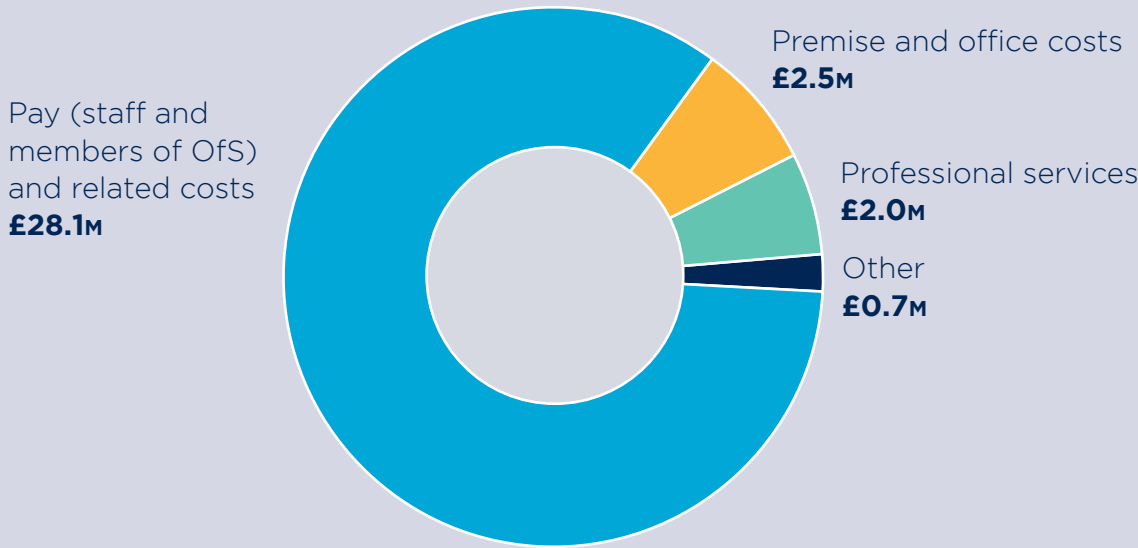
We distributed **£1,580 million** grant funding in the 2024-25 financial year (mainly in the form of recurrent teaching grants to providers) compared to £1,599 million in the previous financial year.²⁹ We aim to provide as much of our grant funding as possible through formula-based recurrent funding allocations based on the number and type of students at a provider, as this is the most efficient and transparent way to distribute funding.

Most providers' income for teaching and related activities comes primarily from students' course fees. However, we also allocate funding to providers to support areas where teaching costs are particularly high, such as science, engineering, and medicine. Additionally, we provide funding for specific policy areas and government priorities, including student premium funding to support disadvantaged students to have successful student outcomes; the nursing, midwifery and allied health supplement; and funding for specialist providers recognised for offering world-leading teaching.³⁰ We also provide specific funding for national initiatives, as well as capital funding.³¹

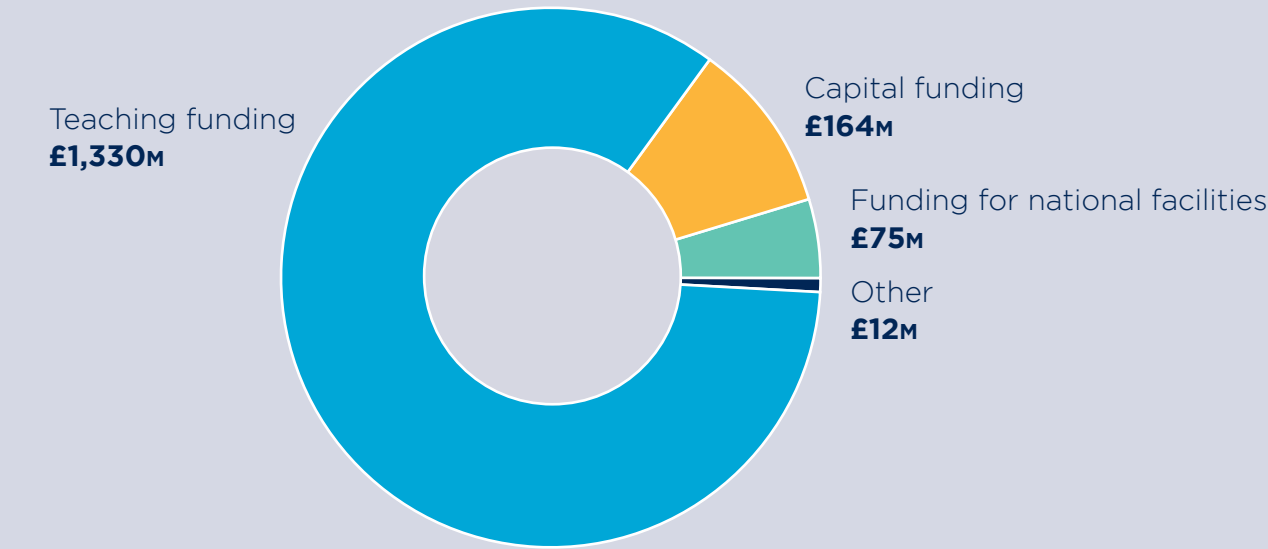
Our operating income in the 2024-25 financial year



Our operating costs in the 2024-25 financial year



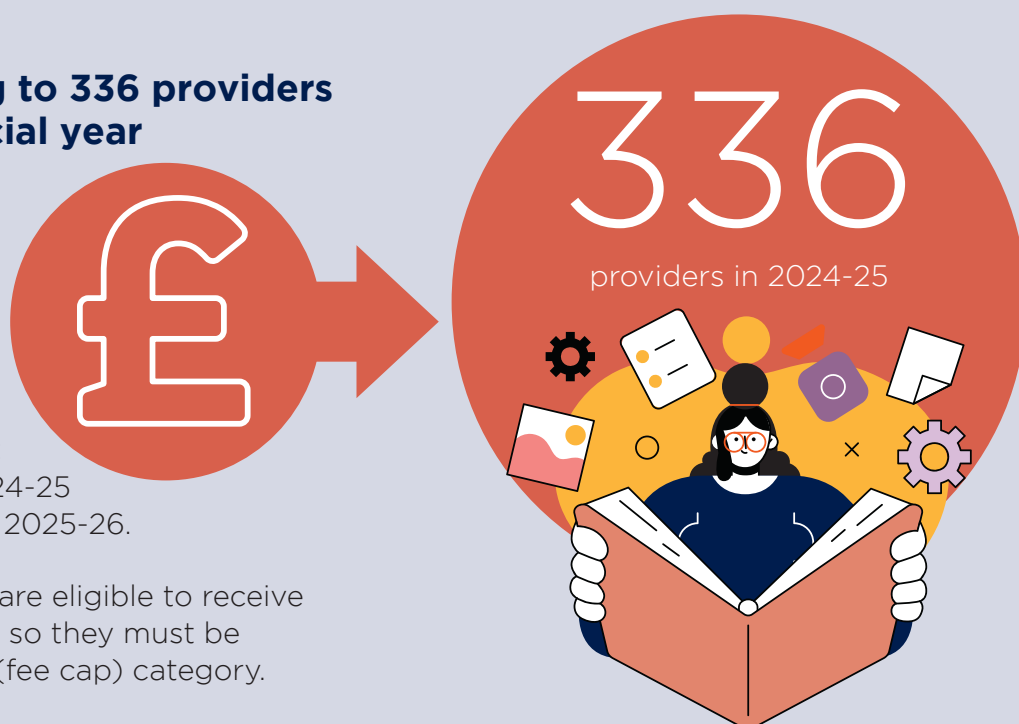
Our programme expenditure in the 2024-25 financial year



We allocated funding to 336 providers in the 2024-25 financial year

Grant funding is distributed on an academic year basis (1 August to 31 July), and funding allocations are announced on our website. The 2024-25 academic year overlaps two financial years: the last eight months of 2024-25 and the first four months of 2025-26.

Not all registered providers are eligible to receive funding from the OfS. To do so they must be registered in the Approved (fee cap) category.



Statement of Financial Position

At 31 March 2025, the Statement of Financial Position shows net assets of £5.7 million (2023-24: £8.0 million).

While the OfS aims to distribute all funding received from the DfE in-year, our framework agreement with the DfE recognises that it may not always be possible to match receipts and payments exactly, so it allows for a cash carry forward at the year-end. At 31 March 2025, our cash balance was £14.8 million (2023-24: £16.0 million). This balance includes £8.1 million of registration fee income (2023-24: £7.9 million), which is deferred to 2025-26 in line with International Financial Reporting Standard 15.³²

There are no current or anticipated going concern issues for the OfS. Given the expectation of continued sponsorship and parliamentary approval, it is appropriate to prepare the accounts on a going concern basis.

Find out more about...

funding in our [Guide to funding 2024-25](#)



Performance analysis

This section provides a detailed account of our performance. It is structured around our three areas of focus ('Quality', 'The wider student interest' and 'Sector resilience') and refers to trend data from our KPMs and OM.

1



Quality

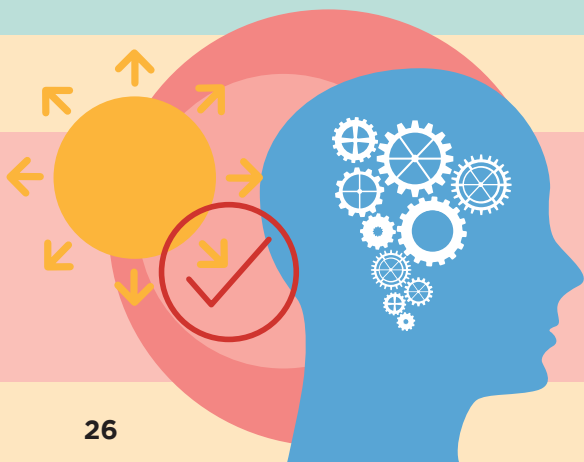


Key achievements



We **completed our programme of** quality assessments of courses at selected universities and colleges **and took regulatory action in two cases.**

We **concluded our assessments** of student outcomes at selected universities and colleges **and engaged with the sector about the lessons from this work.**

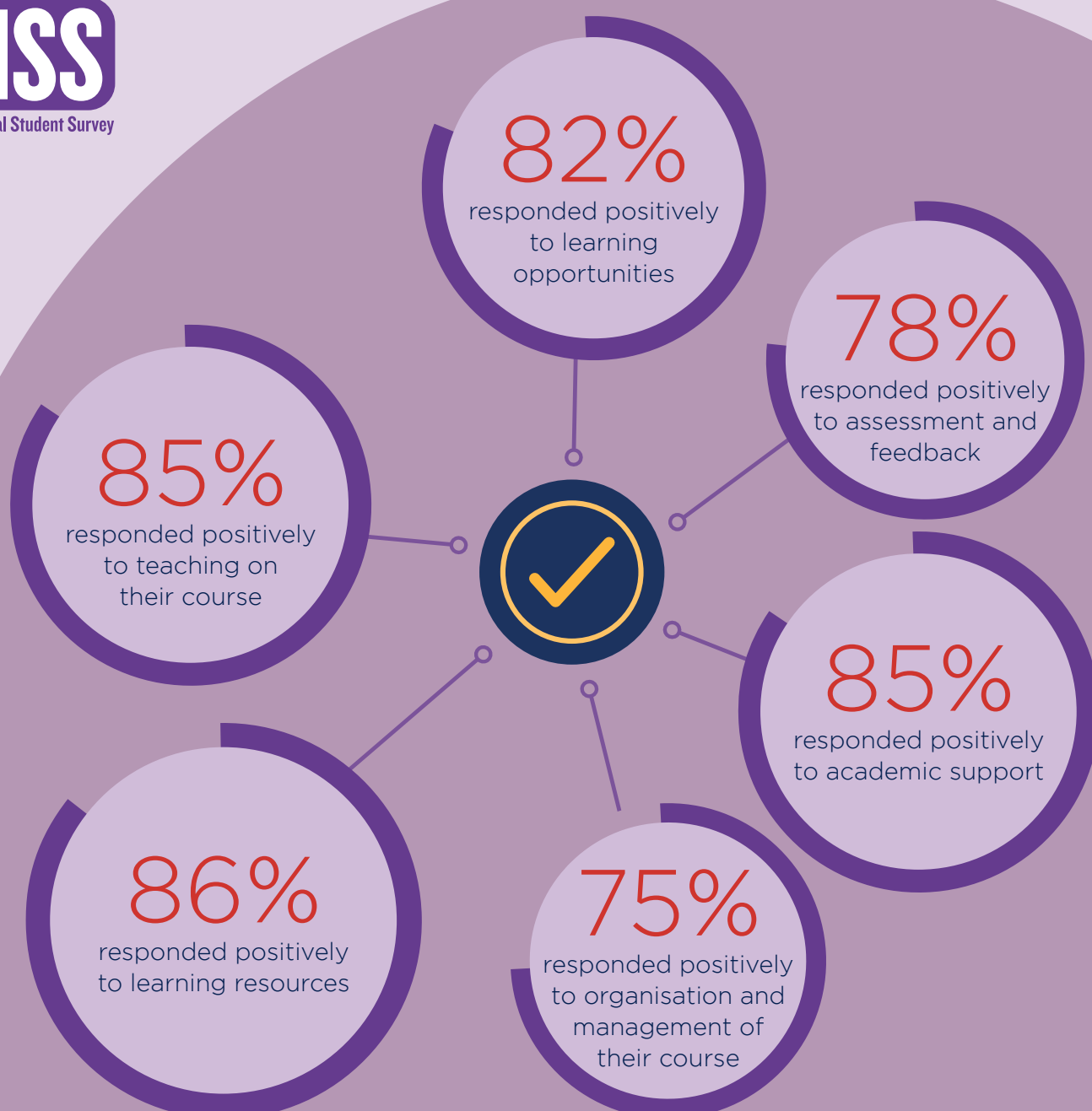


We **used findings from our evaluation of TEF 2023** to develop proposals **for an integrated approach to quality.**

Our work on the quality of higher education is essential for ensuring and maintaining high quality courses for students, particularly during a period of constrained finances for universities and colleges across England. This year, we published several quality assessment reports, an Insight brief summarising findings from those reports, and student outcomes case reports. We incentivised improvement at providers to inform and support student choice in higher education.

Students – past, present, and future – are central to our approach to quality. In July 2024, we published the results of the 2024 National Student Survey (NSS), including undergraduate students' responses to questions about aspects of quality (see image below). Our KPM 4 shows how these figures compare with historical results.³³ We also published our annual analysis of degree classifications (see KPM 3 in this section of the report) and a report on the credibility of awards.³⁴

Students' views on quality



Our current quality system has two aspects: regulatory requirements for high quality courses and a cyclical assessment to incentivise improvement beyond those requirements.

Improvement beyond our regulatory requirements

The Teaching Excellence Framework (TEF) is a cyclical assessment of the student experience and student outcomes for undergraduate courses at universities and colleges, undertaken by a panel of academic experts and students. The TEF rating categories of Bronze, Silver and Gold signify increasing levels of excellence.

The TEF 2023 outcomes show that outstanding provision is found in all types of higher education provider. The outcomes also tell us that almost all of those providers that participated can demonstrate they are delivering at least very high quality in some of the areas assessed, with most performing well above our regulatory requirements.

We are reporting on our work during 2024-25 using this model. We have recently begun bringing together the elements of our assessment activity into an integrated approach to quality. We have discussed our emerging plans with individual providers and sector representatives and expect to consult further on a new approach to incentivise continuous improvement for all students.

See 'Enhancement above our regulatory requirements' diagram on next page.

Regulatory requirements for high quality courses

Our conditions of registration for quality (the B conditions) set minimum requirements so that all students can expect a high quality course and positive outcomes. They set out our expectations for the design and delivery of courses, the academic support that students receive, and that students are effectively assessed.

Our regulation of student outcomes measures quality by considering the proportions of students who continue, complete and go onto managerial or professional employment or further study that positively reflects the impact of their higher education. We measure the continuation, completion and progression rates (known collectively as student outcomes) for each university or college and set expectations for minimum levels of performance that institutions should achieve.

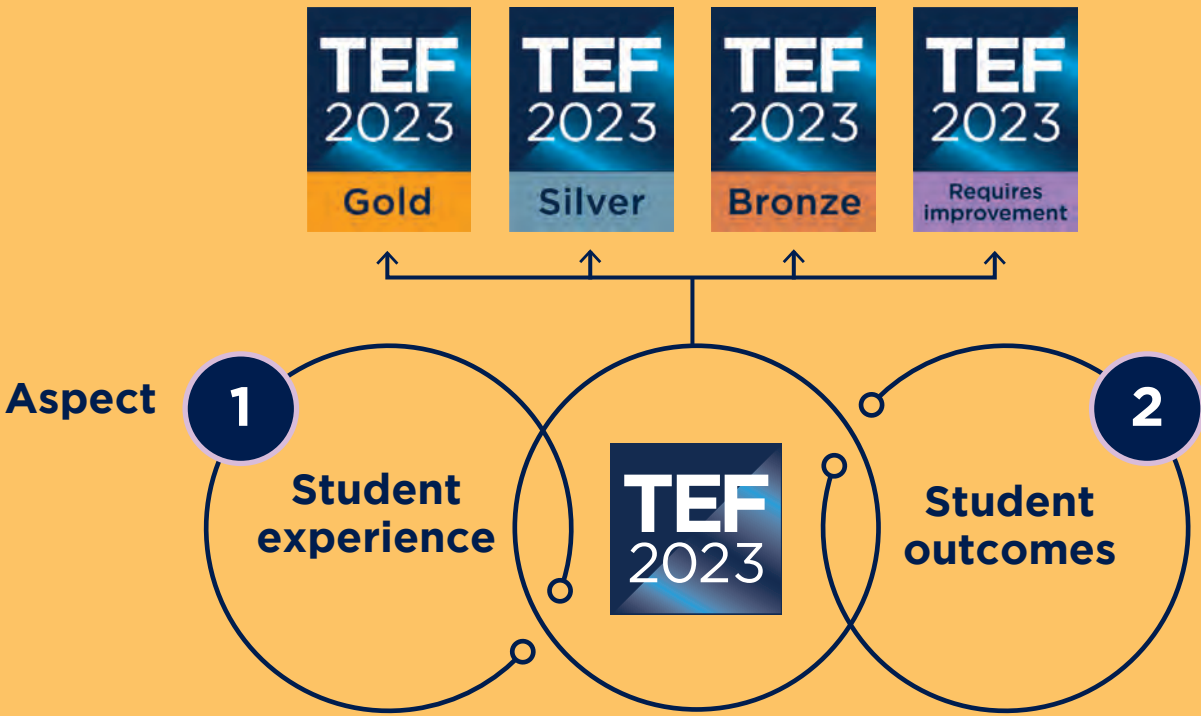
Courses at many universities and colleges sit comfortably above our regulatory requirements. We use a combination of data and regulatory intelligence to identify providers and courses where there could be issues with quality, and explore these through quality assessments.

See 'High quality regulatory requirements' diagram on next page.

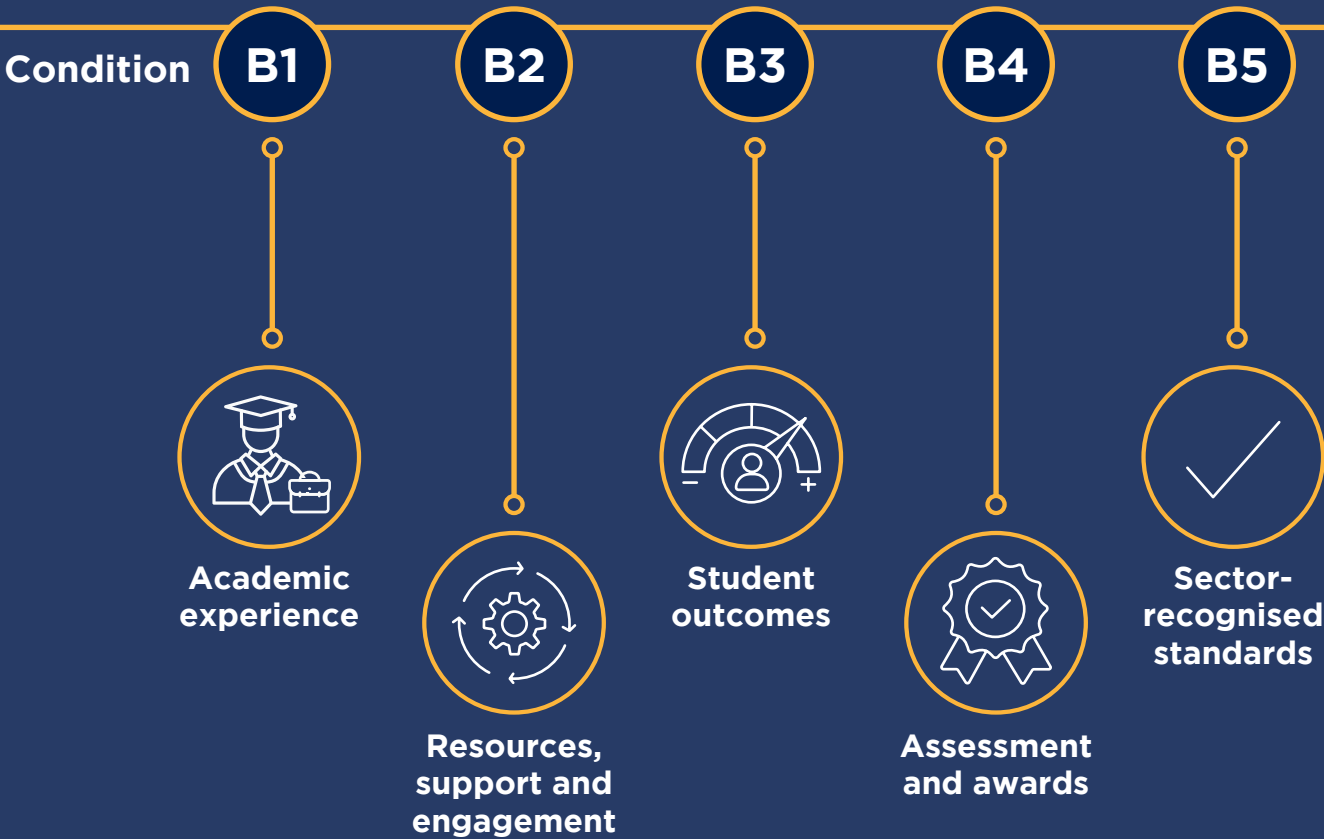
Enhancement above our regulatory requirements

Securing student success

The Teaching Excellence Framework was the mechanism used to drive improvement or enhancement beyond our regulatory requirements



High quality regulatory requirements



This section of our report demonstrates the steps we have taken to improve quality in higher education and our work to inform choice and support students.



Improving quality in higher education



We concluded student outcomes assessments and published reports for **12 providers**.



We completed and published **11 assessments** of business and management and computing courses and published an Insight brief to help all providers improve course quality.



We published **eight quality and standards assessments** for recently registered providers.



We published our annual analysis of degree classifications over time, which showed fewer unexplained first class degrees.



New or varied **degree awarding powers were awarded to 13 individual providers**.



We completed **28 monitoring checks** of the quality of end point assessments for apprenticeships.



Following the government's announcement in January 2025, we recommenced work to implement the Higher Education (Freedom of Speech) Act 2023.



We engaged with the sector and heard feedback about how we assess quality. This is informing development of an integrated approach to quality as recommended in the OfS Public Bodies Review of July 2024.

To ensure high quality for English higher education, we have increased our assessment activity to explore the quality of courses at several universities and colleges.³⁵ Most higher education courses in England are high quality, and we know that universities and colleges undertake

significant and continuous work to ensure that students receive a high quality education. Our quality assessments focus on the pockets of provision where students may not be doing as well, or where there may be an issue with quality.

Student outcomes (condition B3) assessment reports

We concluded assessments and published reports for 12 providers. They were selected to allow us to reach a view about whether their context justified performance for student outcomes below our numerical thresholds.³⁶ For more about student outcomes for all registered providers, see our KPM 2.³⁷

For more about the proportion of students at providers with student outcomes below our numerical thresholds, see our KPM 1.³⁸

For four providers, we concluded that their context did explain their performance and we closed our assessment without any further action.

At eight providers, we found that there was an increased risk of a breach of the requirements in condition B3. For three providers, their context justified their performance; for five it did not. We have required the eight providers at an increased risk of a future breach of condition B3 to take further action through improvement notices to address the areas of increased risk.

We evaluated the impact of condition B3, to inform how we design, operate and communicate our approach to regulating student outcomes.³⁹ We commissioned Shift Learning to conduct in-depth case studies with four providers to explore the changes they were implementing in response to the requirements in the condition. The report explores the changes providers have made to support their students' outcomes, including problem assessment, decision-making and implementation.⁴⁰

Subcontractual partnerships

We have piloted a new data dashboard for student outcomes: the subcontractual partnership student data dashboard, published in December 2024. This data comes from a pilot we ran with six lead providers and 17 delivery partners.⁴¹ We plan

to roll this out to all subcontractual partnerships in England next year to continue building the picture of student outcomes in this type of provision, which has been growing rapidly.

While sector level data shows the sector as a whole continues to deliver strong outcomes for students during and after their studies, the sector level continuation rate for students studying in a subcontractual partnership has declined and has fallen below our numerical threshold.⁴² Our current priority for quality assessments is courses delivered under subcontractual partnerships.

For more information on our work on subcontractual partnerships, see the 'Sector resilience' section of the report.

Quality assessments of business and management courses and computing courses

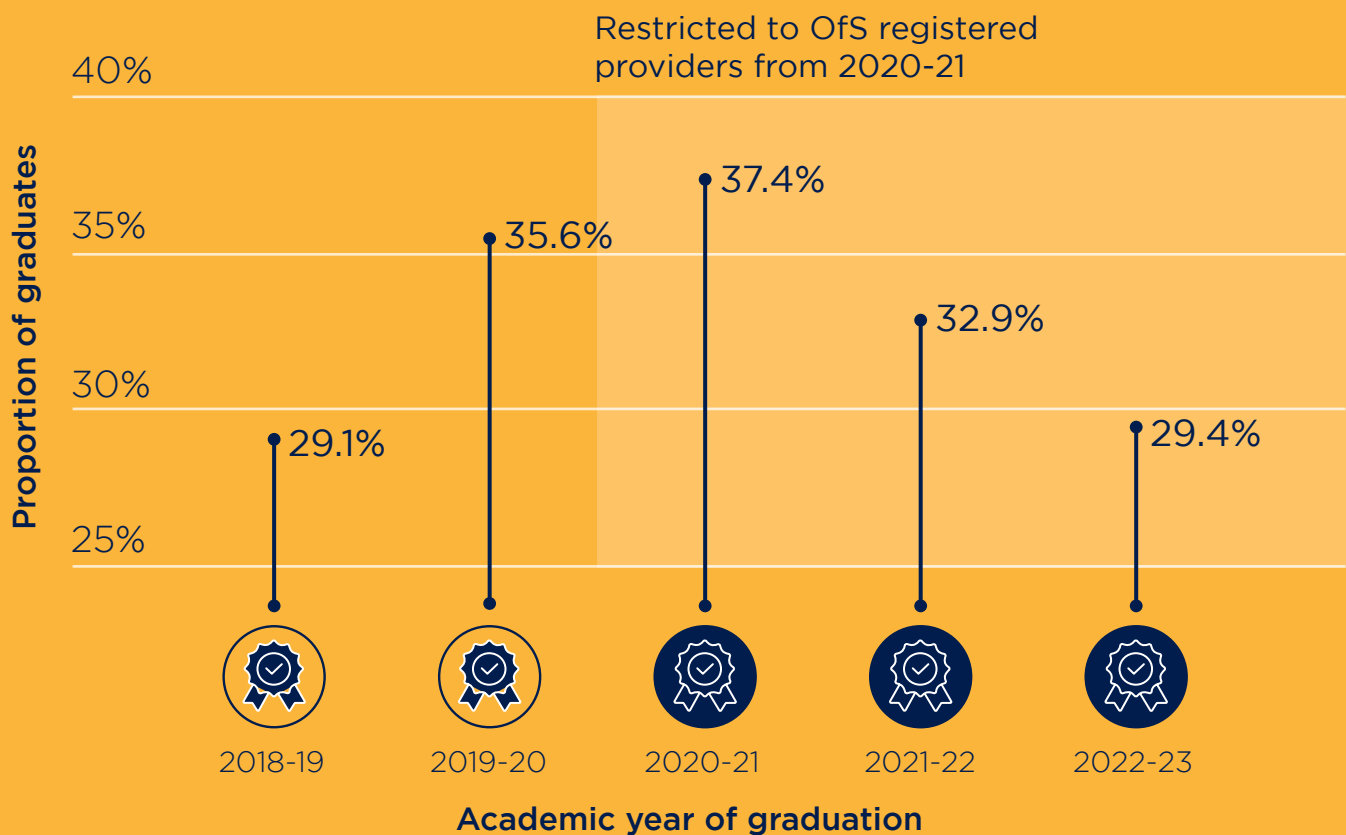
We completed and published quality assessment reports on business and management courses and computing courses, including cases where we took regulatory action following our assessment.⁴³

In October 2024, we published an Insight brief that explored the common factors that can affect the quality of higher education students receive. These were identified from our assessment reports under headings of the delivery of courses and resources; academic support and student engagement with courses; assessment of learning; and academic leadership and oversight.⁴⁴ The brief sets out points for all institutions to consider for each theme to inform their ongoing work to improve the quality of their courses.

Quality and standards assessments for providers applying to register

When a provider registers with the OfS, we assess whether the initial conditions of registration B7 (quality) and B8 (standards) are satisfied.

Proportion of full-time undergraduate students achieving first class degrees



This year, we published seven quality and standards assessments for newly registered providers along with an eighth report on a provider that joined our Register in 2022.⁴⁵

Analysis of unexplained attainment

One of our goals is that students are rigorously assessed, and that the qualifications they are awarded are credible and comparable to those granted previously. If our approach to regulating assessment and awards is having the desired effect, the substantial increase in the proportion of students achieving first class degrees since 2010-11 should slow, level off or reverse.

In September, we published our annual analysis of degree classifications over time.⁴⁶ The report shows graduate attainment rates and uses statistical modelling to assess the extent to which increases and decreases in these rates could be accounted for by changes in the prior attainment of, and distribution of subjects studied by, students.

Our KPM 3 measures the proportion of students who graduate with first class degrees.⁴⁷ In 2022-23, 29.4 per cent of students were awarded a first class degree. This proportion has decreased for two successive years and now stands at a similar level to 2018-19.

Degree awarding powers and university title

Over the last year, we authorised new or varied degree awarding powers for 16 individual providers.⁴⁸ We published eight degree awarding powers assessment reports.⁴⁹ We also carried out monitoring assessments for four new degree awarding powers holders. We granted eight changes to university title to providers during 2024-25.⁵⁰

Quality assessment of end-point assessments

We have a specific role in assessing the quality of end-point assessments for

‘integrated’ higher and degree apprenticeships.⁵¹ In 2024-25, we completed 38 monitoring checks and piloted our first assessment of a provider’s readiness to deliver an end assessment.

Academic freedom and freedom of speech

From April to July, we worked to implement the Higher Education (Freedom of Speech) Act 2023, until the new government paused commencement of the Act to consider its approach.

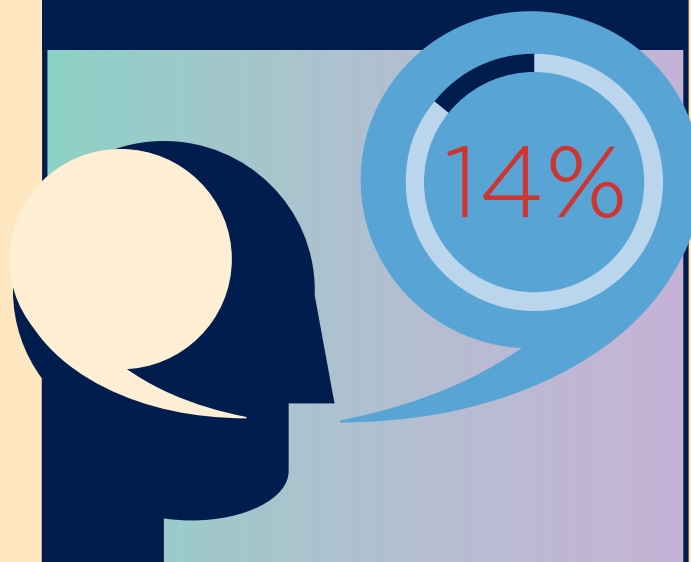
In January 2025, the Secretary of State made a statement in Parliament to set out the future direction for the legislation. She confirmed in April 2025 that the main duties placed on universities and constituent institutions would be brought into force on 1 August 2025.⁵² The OfS’s duty to promote freedom of speech would also commence shortly. The OfS’s obligation to operate a free speech complaints scheme and ability to impose a free speech condition of registration is expected to come into force following future primary legislation.

This year we concluded an investigation in relation to free speech matters at the University of Sussex. We imposed monetary penalties, totalling £585,000, for two breaches of conditions of registration. One breach relates to free speech and academic freedom. One of the university’s governing documents – its Trans and Non-Binary Equality Policy Statement – limited what staff could teach, and what staff and students could say, about sex and gender. This created a ‘chilling effect’: the potential for staff and students to self-censor and not speak about or express certain lawful views. The second breach relates to the university’s management and governance practices. In addition, we set out concerns that the university may not have complied, or acted compatibly, with a range of other legal requirements, including in relation to freedom of speech and equality matters. All universities should make sure they have

policies and procedures in place to meet their free speech obligations.⁵³

Freedom of expression

14 per cent of students felt unable to freely express their ideas, opinions, and beliefs.



Source: NSS 2024.

Transnational education (TNE)

Our work on quality includes transnational education, which is the provision of higher education to students outside the UK. During the 2023-24 academic year, around 538,000 of these students were studying for English qualifications, spanning approximately 230 territories.⁵⁴ This represents around one in five of the students covered by OfS regulation.

We have been working to support further regulatory developments relating to TNE, such as the expansion of the Higher Education Statistics Agency aggregate offshore record to improve data capture and publication in relation to TNE students, and building information sharing relationships with other regulators to support our intelligence on providers’ TNE activity.

In November, we joined the International Network for Quality Assurance Agencies in Higher Education (INQAAHE), a worldwide

association of organisations active in the theory and practice of quality assurance in higher education.⁵⁵

Informing choice and supporting students in higher education

We want our work on quality to inform student choice and support students throughout their higher education experience. We publish data about the quality of subjects in universities and colleges and maintain public services that give prospective students information about higher education courses and providers. We also allocate government funding to support the development of in-demand skills in medicine and allied sciences, maths, engineering and technology, as well as new, vocational pathways such as degree apprenticeships. We also fund programmes to close skills gaps in areas critical to growth, such as artificial intelligence.

Evaluating the Teaching Excellence Framework 2023

Last year, we completed our TEF 2023 exercise, for 227 providers.

This year, we evaluated how effectively TEF 2023 operated and the impact it is having on improving the quality of students' experiences and outcomes. The findings will inform how we design, operate and communicate the integrated approach to quality assessment in the future.

The evaluation included research exploring the early impact of the TEF in providers and the effectiveness of our processes, based on interviews and a survey with staff, and interviews with student representatives.⁵⁶ It included a survey of the student representatives who submitted evidence to TEF 2023 as well as research with prospective students on their understanding of the TEF, and how it informs their decisions about where to study.⁵⁷ It also included publication of a guide for student representatives to collect evidence for TEF student submissions.⁵⁸ The final component of our evaluation estimated the cost of the exercise at a sector level, a provider level and to the OfS.⁵⁹



Informing choice and supporting students in higher education



We completed an evaluation of TEF 2023.



We **allocated £8.17 million in funding to 25 providers** to support postgraduate conversion courses in data science and artificial intelligence.



We launched a third wave of funding to **support for 150 Level 6 degree apprenticeship programmes at 32 universities and colleges.**



We adapted our approach to regulation to account for the changes lifelong learning entitlement (LLE) will bring, including an expansion of modular study.

Postgraduate conversion courses in data science and artificial intelligence

The OfS has previously supported universities to develop postgraduate conversion courses and deliver scholarships for these courses in artificial intelligence (AI) and data science. The primary goal of the conversion courses was to respond to the shortage of data science and AI specialists in the UK, and a secondary purpose was to support students from diverse backgrounds to consider a future in these occupations, and gain skills to progress into careers. We launched a new funding competition to deliver further scholarships between April 2023 and March 2025. For academic year 2024-25 we have allocated £8.17 million to 25 lead providers.⁶⁰

Funding for higher level skills

In September 2023 we launched the first wave of a funding competition to boost the capacity and equality of opportunity within degree apprenticeships. In March 2024, we announced a second wave of funding of £14 million to 32 providers from April 2024 to July 2025, with a third wave launched in October 2024 running from October 2024 to July 2025. That third wave is providing support for 150 Level 6 degree apprenticeship programmes at 32 universities and colleges.⁶¹

In January 2025, we published interim findings from Ipsos UK on the progress of activities to extend equality of opportunity in Level 6 degree apprenticeships. The report explores activities developed by providers in Wave 1 of the programme, which ran from January to July 2024.⁶²

Developing diverse pathways into and through higher education

In October 2024, the government announced that the LLE will launch in September 2026. Learners will be able to apply for LLE funding in September 2026 for courses and modules starting from January 2027 onwards.

We have been working to adapt our approach to regulation to support the changes the LLE will bring, including expansion of modular study. Our aim will be to continue to ensure that higher education is delivering positive outcomes for students.

The introduction of the LLE is likely to lead to an increase in the number of students changing courses as part of their qualification. Understanding the current extent of student transfers to a different provider is therefore helpful. The most recent data for the 2022-23 academic year suggests that for an overall student count of 1,035,640, 1.7 per cent of students transferred to a different provider within a year of starting their course.⁶³



**Discover
Uni**

Discover Uni is the official, authoritative source of information and guidance on higher education in the UK. It is designed to support prospective students in deciding whether, where and what to study. The website helps prospective students make sense of all the information out there by linking to other quality resources and explaining what they can find where. It also allows users to search for and compare information and data for individual undergraduate courses across the UK. The OfS operates the data collection in partnership with the Higher Education Statistics Agency, which is now part of Jisc.

2



The wider student interest

Equality of opportunity is central to our work, and this particularly applies to developing our understanding of students' experiences and interests. We are interested in all the aspects of students' overall experience and their ability to make the most of their higher education. Our view of students' interests is broad, encompassing the range of needs, wants and experiences they expect their higher education institutions and the wider sector to serve. This includes ensuring high quality education, fair treatment, and the delivery of promised services.

Efforts by universities, colleges and the OfS to improve access and widen participation in higher education are creating a more diverse student population with varied backgrounds and expectations. The 2024 Student Academic Experience Survey found that 56 per cent of undergraduate students had paid employment during term time, up from 35 per cent in 2015.⁶⁴ The growing trend of students needing to work to afford to study may limit their ability to fully engage with the academic and broader student experience, further entrenching inequality. Additionally, there has been an increase in commuter students, with an estimated 30.1 per cent of full-time UK undergraduates having a home address which is local to their provider.⁶⁵ This trend may also reflect the impact of cost of living pressures.

These shifts in the makeup of the student population underscore the OfS's commitment to ensuring that the interests of all student groups are championed across our activities. This section of the report outlines our multi-faceted approach to advancing the student interest through the regulation of providers, targeted funding support to providers and collaborative activities where specific needs are identified, with a particular focus on equality of opportunity.

'Some students are being more widely hit by the cost of living crisis than others. Especially if they do not have parents that are able to help or generally come from a more lower income area.' (Female, 18, further education student, YouGov focus group)

We define equality of opportunity as no student or prospective student being prevented from accessing, succeeding or progressing in higher education by factors beyond their control. Students should be empowered to make choices about their lives and learning, and they should be confident that no aspect of their life experience or background will limit their choices or consequences unfairly.⁶⁶ However,



Key achievements:

Equality of opportunity

218

access and participation plans approved overall



We invited collaborative bids for the Equality in Higher Education Innovation Fund, announcing 11 awards to universities and colleges.

We completed the assessment of 182 access and participation plans this year.

There are now 218 providers with new APPs to cover the 2024-25 and 2025-26 academic years.



Helping students to thrive

We introduced a **new condition of registration** which will fully come into effect on 1 August 2025 to require universities and colleges to act **to prevent and address harassment and sexual misconduct** and to respond effectively if incidents occur.



£241,602

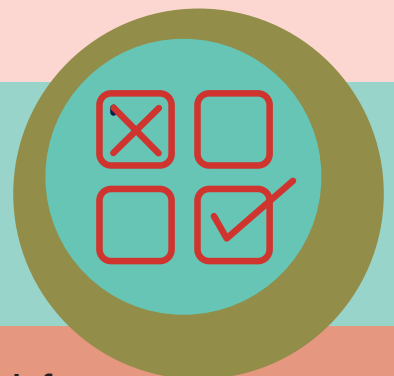
funding in this financial year to support Student Minds

We provided **£241,602 of funding** in this financial year to support the **University Mental Health Charter Programme** led by Student Minds. **Membership** for universities and colleges **increased by 18 per cent** in academic year 2024-25 compared to 2023-24.



Exploring and defining the student interest

Through a **series of polls and student focus groups** we gained insight into the experiences of students, including **to inform the development of the OfS's new strategy** for 2025 to 2030.



We began quarterly online student debriefs to give students' representatives opportunities to raise issues and ask questions.



we know that a range of student characteristics, such as coming from a low-income household, affect progression to higher education, and course continuation and completion. Our Equality of Opportunity Risk Register identifies a range of student characteristics.⁶⁷ As we better understand the nature of students' experiences, and how they may differ for particular underrepresented or disadvantaged groups, it informs our view of where, when, how and whether we should intervene.

In this section we highlight our work under the following headings:

- Promoting equality of opportunity
- Protecting students and helping them to thrive
- Exploring and defining the student interest.

Promoting equality of opportunity

Equality of opportunity is integral to everything we do. This year we advanced our equality objectives through the activities described below. (For a summary of our performance against our equality objectives, see the 'Remuneration and staff report'.) These objectives are:

- We will seek to promote equality in relation to access, success, progression, and outcomes for students with relevant protected characteristics.
- We will seek to promote equality in relation to the higher education experience of students with relevant protected characteristics.⁶⁸

Despite significant progress and successes, the context remains challenging and is increasingly affected by socio-economic pressures, which disproportionately have an impact on disadvantaged and underrepresented student groups.

The evidence

Our KPM 5 (based on the most recent analysis for this measure using data from the 2022-23 academic year) shows a reduction in the number of 'significantly disadvantaged' entrants.⁶⁹ In 2022-23, approximately 290,300 young, full-time, England-domiciled students (who could be linked to their school record in their GCSE year) entered undergraduate higher education in England, which was the highest total in the past five years. This included 48,700 students categorised as 'significantly disadvantaged'. This number had decreased from 49,800 in the previous year.

Another indicator that fewer students from the most disadvantaged backgrounds are entering higher education comes from data about entrants to higher education who had been eligible for free school meals. For the first time in over a decade, the rate of entry for these students is down on previous years, and the difference in progression rates into higher education by age 19 between these students and others is at the highest level recorded at 20.8 percentage points.⁷⁰

Key performance measure 5: Access to higher education

Number of young, full-time, England-domiciled undergraduate entrants by disadvantage groups

**Action to further equality of opportunity this year included:**

Assessing and approving 182 access and participation plans.

Allocating £20 million for academic year 2024-25 to support the Uni Connect infrastructure for collaborative outreach work.

Developing a mission and theory of change for a future national collaborative outreach programme.

Considering 149 collaborative bids for the Equality of Opportunity Innovation Fund and announcing funding for 11 projects.

Promoting the sharing of evaluative evidence about access and participation through our funding of TASO (Transforming Access and Student Outcomes in Higher Education).

Access and participation plans

The OfS's role is to create a framework that requires and supports universities and colleges on our Register to understand the risks to equality of opportunity faced by their students and to take tangible, evidence-informed steps to address them. Universities and colleges wanting to charge higher tuition fees and allow their students to access student loans, must produce an access and participation plan (APP).⁷¹ These plans are the main way we support and challenge institutions to improve equality of opportunity. In 2023 we had asked institutions to develop new plans, to meet new requirements. Most submitted their plans in 2024, to take effect from the 2025-26 academic year.

Each APP outlines how a university or college will enhance equality of opportunity for specific groups of underrepresented students to access, succeed in, and progress from higher education. Most institutions use the OfS's Equality of Opportunity Risk Register (EORR) to identify the barriers that their students may face and to create ambitious, evidence-informed APPs with measurable outcomes-based targets.⁷²

The EORR assists institutions in recognising and addressing the most serious sector-wide risks, focusing on 12 key risks that affect multiple student groups throughout their higher education life cycle. It includes links to the evidence for each risk. We ask institutions to use the EORR alongside indications of risk from student insights and data, to consider these underlying risks and how they might be addressed.

The EORR is an important tool for fulfilling our obligations as a public body under the Equality Act 2010.⁷³ In addition to identifying risks to equality of opportunity associated with the protected characteristics covered by the Act, such as disability, it highlights risks for other groups likely to face equality

challenges, including care experienced students, commuter students, and young carers, so increasing knowledge and understanding of effective work on equality.

In their APPs, providers set out how they will improve their understanding of, and address underlying risks that may be contributing to, differences in student experiences and outcomes through targeted interventions. For example:

- Reducing the awarding gap between black and white students by conducting a survey relating to black students' experiences; piloting further embedding of library and support skills into curriculum content; and enhancing the curriculum to ensure that it explores diverse cultural national and ethnic perspectives. The provider believes this will help improve their understanding of the barriers black students may face and improve support and accessibility of provision, which will in turn improve attainment.
- Eliminating the differences in progression outcomes between students who were eligible for free school meals and non-eligible students. This will include providing a dedicated package of employment support based around key skills; providing targeted work placement and internship support; facilitating a reverse mentoring programme with local employers; producing a students' union engagement record to evidence engagement and associated skills; creating a targeted offboarding programme during the final six months of study with the students' union and providing incentives to progress into postgraduate study at the provider.

On behalf of government, the OfS provided £301 million for student access and success in the 2024-25 academic year. Universities and colleges must use this funding to achieve the goals set out in their APPs.⁷⁴

This year we assessed and approved 182 APPs.⁷⁵ There are 218 providers with new APPs approved to cover the 2024-25 and 2025-26 academic years.

We expect universities and colleges to meaningfully involve students in the design of their APPs, and we invited student groups to share their views on their provider's APP with us. We received 104 student submissions, considering these alongside providers' plans.

Our goal is to improve equality in access, success and progression for students who are disadvantaged or underrepresented in higher education, including those with relevant protected characteristics. We maintain a relentless focus on evaluation to build the evidence base. We have advanced the generation and sharing of evidence of effective practices through our requirements on providers to plan for increasing both the amount and quality of evaluation in their APPs and our funding of TASO's work (see below).

Uni Connect

In addition to funding for student access and success for institutions, we provided £20 million in the 2024-25 academic year to support an infrastructure of universities, colleges and other partners to offer an effective and efficient route for schools and colleges to engage with higher education outreach, enable schools to engage with attainment raising activity for their learners, and address 'cold spots' for underrepresented groups. This infrastructure is called Uni Connect.⁷⁶

Uni Connect brings together **29 partnerships of universities, colleges and local partners to offer activities, advice and information on the benefits and realities of going to university or college.** Collaborative outreach programmes can be transformative for individuals and provide the connective tissue that strengthens higher education access within regions and nationally. In academic year 2022-23:

Over 388,000 students were engaged in the programme

2,079 schools were part of the programme

565 organisations were involved in the partnerships, including 147 universities.⁷⁷

An independent review of collaborative outreach work in English higher education, published in February 2024, was conducted by Public First.⁷⁸ It focused on the evidence for improving equality of opportunity in access to higher education through collaborative efforts, such as the Uni Connect programme, considering lessons from research, evaluation and international models. The review analysed the economic benefits of Uni Connect, which were substantial. In 2020-21, every £1 spent by Uni Connect led to between £5 to £9 of economic value.

£5-9

estimated economic value generated for every pound of public money spent on Uni Connect.



In the same year, the programme engaged with an additional 2,350 students, as well as an estimated 670 students who went to university or college with higher entrance qualifications than they may have done without the support of the programme.⁷⁹

Recommendations for reforms in the Public First report included strengthening the benefits of Uni Connect and maximising value for money while retaining the model of nationally funded collaborative outreach. The report identified that universities and colleges have been individually incentivised to take actions, when more collaboration is needed to tackle the challenges of access and participation nationally and regionally. Taking account of the findings of the review, we developed a mission and theory of change for a future national collaborative outreach programme, with input from over 70 stakeholders involved in higher education access.⁸⁰ We plan to take forward these findings from 2025-26.

Equality of Opportunity Innovation Fund

In February 2025 we announced funding for 11 collaborative projects, which will support the higher education sector to address sector-wide risks that may affect a student's opportunity to access, succeed in, and progress from higher education.

We received 149 bids, which demonstrated the appetite in the sector to undertake collaborative activity of this kind. Total funding of £2 million for successful projects began in April 2025 and is due to end by July 2027.

We are supporting projects across England and new national work led by Advance HE and University of East London, the Higher Education Access Tracker (HEAT), and The Brilliant Club.⁸¹



Equality of opportunity innovation fund

Three of the eleven funded projects were:

The Engineering & Design Institute London is working with partners to implement a model of inclusive practice to support disabled students. It will run workshops to test different types of assessments, aiming to improve key skills and measure student confidence.

The Brilliant Club and the University of Sheffield are providing tailored advice to supporting children with a child protection plan to understand university life. This is an under-served student group with some of the lowest school attainment and higher education progression outcomes, and almost entirely absent from access interventions and contextual admissions processes. This project encompasses practical activities to develop academic skills and create a knowledge base for wider learning.

The University of Bristol with partners is developing an interdisciplinary micro-qualification to help people in specific areas of Bristol access and succeed in higher education. The initial focus is on supporting younger unemployed people and women.

The Centre for Transforming Access and Student Outcomes in higher education

We invest to improve the ways universities and colleges evaluate their access and participation work through an affiliate 'What

Works' Centre, the Centre for Transforming Access and Student Outcomes in higher education (TASO).⁸² TASO also used OfS funding to conduct research and evaluation and produce new resources and guidance. This included a report on supporting disabled students through mapping reasonable adjustments and transition support, findings on mental health outcomes and the specific impact on LGBT students, and a framework to support the higher education sector in conducting economic evaluation into its widening participation interventions.⁸³

We provided **£1.5 million** of funding to TASO for the 2024-25 academic year to deliver its 'what works' function and to establish a new library function.

There is currently limited sharing of access and participation evaluation, particularly from higher education providers. The OfS promotes sharing of evidence by supporting TASO to establish a library of evaluations.⁸⁴ The aims are to:

- build a greater understanding of activity and practice across the student lifecycle
- support enhanced skills and capability to develop and use evidence
- provide opportunities for learning and sharing knowledge of different activities and evaluation approaches.

The library, which is being delivered collaboratively with the HEAT, is expected to have a phased launch from December 2025 and will support providers to meet OfS expectations to publish evaluations of activities in their APPs.

Protecting students and helping them to thrive

We know from our polling of students that they want constructive relationships with the institution providing their higher

education. We also know that students want to understand their rights and to know a regulator is acting in their interests. We see our role as championing the need for students' expectations to be met.

The NSS shows that most students have positive experiences of higher education. Overall, students tell us that the teaching they receive is engaging, that they are well supported and that they can access the resources and facilities they need. (See the 'Quality' section of the report for more information about the NSS outcomes.)

However, there are significant differences in the outcomes and experiences of individual student groups. A growing number of complaints to the Office of the Independent Adjudicator (3,613 complaints in 2024; a 15 per cent increase on 2023) supports evidence from our student insight work that not all students are receiving the experience they expected.⁸⁵ Issues raised by students in our regulatory work include unclear or unfair contractual terms and conditions, extra charges and misleading information which can compromise students' experiences of higher education.



Action to protect students' consumer rights this year included:

Assessing and responding to 389 notifications about regulatory concerns in the 2024 calendar year.

Consulting on strengthening requirements relating to treating students fairly for new providers seeking OfS registration.

Commissioning research into the impact of industrial action on students, and publishing our expectations for universities and colleges to ensure students' interests are prioritised during any future action.⁸⁶

Receiving, assessing and responding to notifications: Universities and colleges registered with the OfS must meet ongoing conditions of registration, requiring delivery of high quality teaching, and the interests of students to be protected. If students, staff, or members of the public feel that a university or college is not meeting these requirements, they can submit a notification. In the 2024 calendar year we resolved 400 notifications (see the section on ‘Operational measures for core regulatory activity’ for more information about notifications).

Working with National Trading Standards (NTS): We have an agreement with NTS to support students’ consumer interests and we refer cases to NTS. This year we published five case reports to raise awareness of providers’ consumer law obligations.⁸⁷ In each report, we explain the terms in students’ contracts we considered potentially unfair, and any changes the university or college made in response to the NTS’s assessment. We intend that students and their representatives use these case reports to understand the types of terms that may be unfair in student contracts.

Consulting on strengthening consumer protection requirements: We consulted on strengthening our initial requirements for providers seeking registration to require a comprehensive approach to ensuring students are treated fairly.

Protecting students’ interests in the event of industrial action: Our concerns about the impact of industrial action, such as strikes and marking and assessment boycotts, prompted us to commission research to better understand the effect this disruption has on students. Based on the findings of this research, and in response to sector requests for greater regulatory clarity from the OfS, we wrote to providers and published a student insight report and a regulatory statement.⁸⁸ The statement sets

out six expectations for universities and colleges to ensure they take appropriate action to support students and treat them fairly before, during and after industrial action, with a view to protecting students’ interests and making sure their education is delivered wherever possible.

Exploring students’ attitudes to being ‘consumers’ and ‘investors’ in their higher education: Students told us that they dislike the term ‘consumer’ but do want to understand their rights and to know a regulator is acting in their interests. We want to improve understanding and protect students’ consumer rights and will work with the sector to develop a model contract.



Action to help students to thrive this year included:

Strengthening the regulatory requirements placed on providers in relation to harassment and sexual misconduct.

Launching a sexual misconduct survey to learn more about students’ experiences.

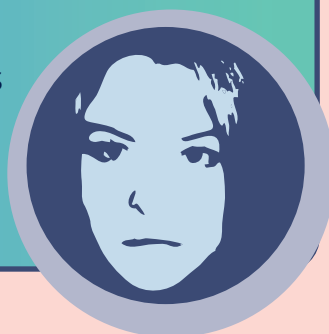
Updating our guidance to support providers to consider the risk to equality of opportunity for their students in relation to mental health.

Providing £18.6 million for varied activities in this financial year to support work to address student mental health.⁸⁹

Harassment and sexual misconduct



Our pilot sexual misconduct survey, published in autumn 2024, found that **20 per cent** of respondents reported having experienced sexual harassment, and **9 per cent** unwanted sexual contact in the 12 months before the survey.



We strengthened the regulatory requirements placed on providers to prevent and address harassment and sexual misconduct by introducing a new condition of registration (E6) in July 2024.⁹⁰

Universities and colleges must publish a clear, comprehensive, and publicly accessible source of information explaining the steps they will take to protect students from harassment and sexual misconduct. This must cover specific areas of information, including how providers are:

- Taking steps to prevent harassment and sexual misconduct.
- Ensuring effective systems for students to report incidents and providing support for those affected.
- Implementing training programmes for students and staff.
- Addressing abuses of power in intimate personal relationships between staff and students.
- Ensuring freedom of speech is upheld.

- Banning the use of non-disclosure agreements in cases where students make allegations of harassment and sexual misconduct.

Engaging with students significantly informed our approach. We held two webinars for students and staff in autumn 2024 and engaged with sector groups to help institutions meet the new requirements.

We also continued to improve our knowledge and understanding of the prevalence of sexual misconduct. The results of our pilot sexual misconduct survey were published in autumn 2024 and found that 20 per cent of respondents reported having experienced sexual harassment, and 9 per cent unwanted sexual contact in the 12 months before the survey.⁹¹ Findings revealed that some student groups are more likely to be affected than others, including women, disabled students, students who are bisexual, gay or lesbian and those under 21. Building on the pilot, we launched a sexual misconduct survey in January 2025, to learn more about students' experiences at a national level.⁹²

Mental health

Poor mental health can have a negative impact on students' ability to participate in and complete their higher education course. 4.4 per cent of full-time students and 5.7 per cent of part-time students reported a mental health condition to their university or college when entering an undergraduate course in England in 2022-23. This is based on a definition of mental health conditions that meet the definition of a disability rather than mental distress in general.⁹³

As mental health conditions are self-reported, under-reporting is possible, and may vary across student groups. Additionally, some groups may be more likely to be affected by poor mental health or may experience barriers to accessing appropriate support. It is important that all students, whatever their background, can access the mental health support and information they need.

We encourage institutions to support an environment conducive to the good mental health and wellbeing that students need to succeed.⁹⁴ In particular, transitioning from home to higher education can be a challenging time for students. We work collaboratively with the sector to improve students' experiences – for example through sector networks to embed evidence-led practice and encourage robust evaluation of support for students experiencing mental ill health.



Action to support institutions to improve students' experiences this year has included:

Providing £15 million in the 2024-25 academic year to support students' transitions into higher education and their mental health. This enables providers to engage with best practice to support effective mental health and suicide prevention strategies, and work closely with local NHS mental health service to ensure students are referred quickly and appropriately.⁹⁵

Providing £241,602 for the 2024-25 financial year to support the accelerated growth of the University Mental Health Charter Programme led by Student Minds.⁹⁶ 113 universities are now members, which represents an 18 per cent increase in membership from the previous year. Our funding supported increased staffing to develop and accelerate the programme, investment in digital infrastructure, events for members to learning from experts and connect with each other, a detailed review of the programme and opportunities to engage with external organisations.

Providing £262,500 for the 2024-25 financial year for Student Space (via Student Minds), which is an online platform for students to support their mental health through resources and signposting.⁹⁷

Active participation in the Higher Education Mental Health Implementation Taskforce, which is a group of higher education representatives and mental health experts focusing on how to improve mental health and wellbeing for students.⁹⁸

Exploring and defining the student interest

Students tell us that the cost of living, affordable accommodation and support for mental health are key concerns that affect their experiences of study. We do not intervene in individual student complaints or govern providers' activity in relation to every issue that students raise with us. But, as the regulator responsible for furthering the interests of students, we gather information and seek to better coordinate the activity of others. Our student insight activity discussed below supports this work.

Our research shows that students' interests change over time. To effectively protect the interests of students in the short and longer-term, we need to understand their expectations and the reality of their experiences. This drives our regulatory work and allows us to better determine when and how to intervene to support student success.

This year we reset our approach to the student interest. This has included developing mechanisms for student input, insight and information.



Student input – opportunities for students and their representatives to share what they think the OfS needs to know and to hear our responses.



Student insight – what the OfS needs to know about students' experiences before, during, and after higher education to properly deliver our regulatory work.



Student information – what the OfS thinks students need to know, and that should be freely available to them, before, during and after their involvement with higher education.



Action to explore and define the student interest this year included:

Launching a series of events to hear from students and their representatives.

Commissioning a series of polls and focus groups with different kinds of students to inform how we regulate in the student interest and a detailed mixed-method research programme.

Conducting in-depth explorations of specific issues and student experiences.

Listening to the views of the OfS Student Panel and Disability in Higher Education Advisory Panel, and considering these in our work.

the Student Panel and this informed our approach to the new Student Interest Board (SIB) from May 2025.

Disability in Higher Education Advisory Panel

The Disability in Higher Education Advisory Panel was established in April 2024 to improve the experiences of disabled students in higher education. The panel includes experts and students and has provided valuable insights and guidance⁹⁹.

This year the panel discussed priorities, goals, existing evidence, key gaps, and regulatory tools that could be used to improve the experiences of disabled students. It evaluated potential approaches for the OfS's regulatory strategy, considering strengths, weaknesses, barriers, and enablers. The panel identified priority gaps in qualitative data on the disabled student experience, particularly regarding reasonable adjustments.

Student input

Student Panel

This year the OfS Student Panel supported us to explore and articulate the student interest and advised on strengthening our use of student input and insight. Panel members reflected on their experiences on

Student insight

Student debriefs

We launched a new series of events to hear from students and their representatives on

the issues that matter as they navigate their higher education pathway, and to talk to them about our work.

The first student debrief took place in December 2024 with 150 attendees. Students shared the key issues that they are facing in higher education, which include accommodation, mental health, cost of living pressures, and the impact on students of financial challenges in the sector.

This shaped the second student debrief in March 2025, which focused on how financial challenges in the sector are affecting students. This generated a significant response from attendees, with 150 observations about how students were affected and suggestions about what the OfS could do to protect their higher education experience in these circumstances.

Polls and focus groups

In summer 2024, we conducted a series of polls and focus groups to inform how we regulate in the student interest. This included:

- polling 1,761 students
- hosting two text-based online focus groups with YouGov
- conducting an online survey with YouGov
- hosting an online focus group with students from small and specialist universities and colleges, organised with GuildHE
- consulting the OfS Student Panel.

In November 2024, we launched a mixed-method research programme focusing on topics that are critical to the experiences of students. We identified themes and conclusions to inform the development of our strategy for 2025-30.



Students told us that they expect:

A high quality education that reflects their financial investment and the promise that was made to them.

Sufficient support throughout their degree, relating both to their academic and personal needs.

Exposure to a range of opportunities which will help their future careers.

Opportunities to engage in social and extra-curricular activities.

Reflecting on their experiences of higher education, students told us that:

Academic support and opportunities for skills development are important for a positive higher education experience.

In some cases, they do not feel that they receive sufficient one-to-one support from tutors and higher education staff.

They feel tuition fees are too high despite significant online learning (which many find unengaging).

They experienced disruption to their studies caused by industrial action.

Disruption from the coronavirus pandemic has continued to influence their relationships and mental health.

Increases in the cost of living affected their studies and there is insufficient financial support for those who need it.

There is a lack of mental health provision and support for those who need it.

Student information

The 'Quality' section of the report sets out our approach to informing choice and supporting students in high quality higher education.

A well functioning higher education sector requires universities and colleges to be financially sustainable and effectively governed. Our interactions with universities and colleges this year have underscored that strong management and governance generally lead to stronger financial performance. Providers with effective mechanisms for financial oversight, including management information systems that deliver detailed, reliable and timely information, are better positioned to make key strategic and financial decisions.

Find out more about...



Our student insight work at [Understanding the student interest - Office for Students](#).

3



Sector resilience



Key achievements:

274

returns assessed



We **assessed 274 returns**, increasing monitoring activity for 71 providers.

We published our annual report on financial sustainability in May 2024 and a mid-year update in November 2024.

In February 2025 we **consulted on new regulatory requirements** for providers seeking registration to **ensure they would be able to operate with effective management and governance**.



Protecting public funding was a central focus, including working closely with Department for Education (DfE) and Student Loans Company (SLC) and progression of our own investigatory work.

Financial sustainability of providers and the sector



Action to support sector resilience:

We completed the annual monitoring cycle for financial sustainability and began the next cycle in January 2025.

We increased our capacity and capability to undertake financial reviews and more detailed provider engagement.

We improved our approach to monitoring financial sustainability, including:

Analysing data to highlight the significant financial challenges facing the higher education sector, including presenting sensitivity analysis showing the potential financial impact of scenarios showing variation in student recruitment. This improved sensitivity analysis helped us to better identify providers vulnerable to financial risks.

Introducing an interim financial data collection to help us understand how finances are changing and providing a more real time view of core financial data.

Introducing a new deep dive monitoring review process, undertaking a number of engagements at providers where we needed a more detailed understanding of how they were managing their finances.

We published an Insight brief on 'Protecting the interests of students when universities and colleges close'.

This section describes how our monitoring of financial sustainability protects students' and taxpayers' interests in English higher education.¹⁰⁰

As autonomous institutions, universities and colleges are responsible for their own financial sustainability, and for effective

governance. We require each provider to report financial information and any significant issues or events that may negatively affect its financial position.

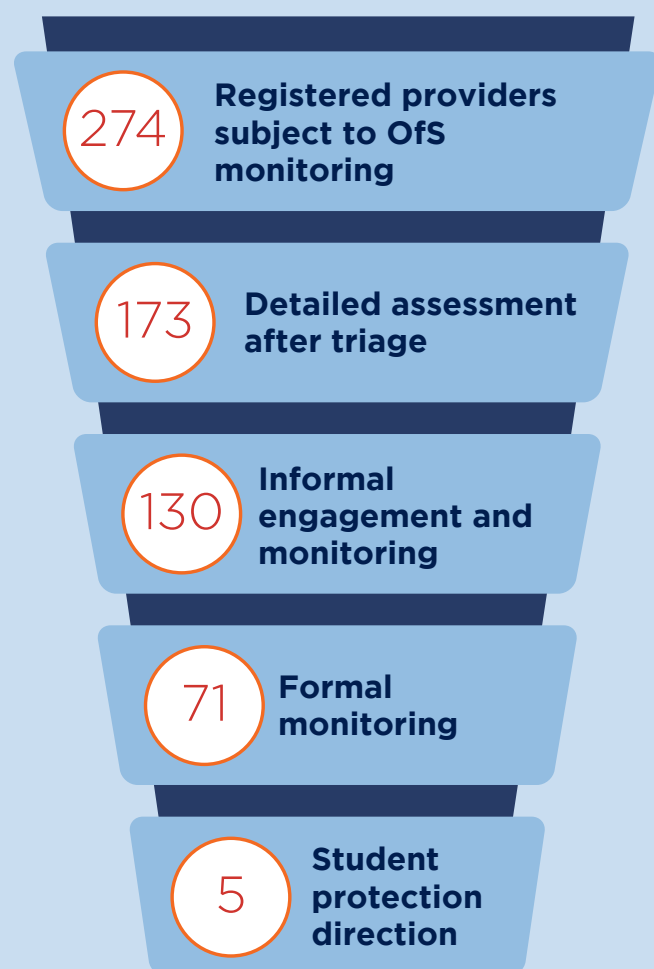
Universities and colleges submit an annual financial return (AFR), which includes audited financial statements, financial and student recruitment forecasts, and a commentary to explain these. There is a cyclical programme of work to analyse and act on this information. In January 2025 we began our assessment of providers' returns relating to the 2024-25 financial reporting period and their forecasts for the following years. Due to increasing financial risks in the higher education sector, we asked institutions to make a further data return in April 2025. This reflected any changes in a provider's financial projection for the current year. We did not consider this to add significantly to regulatory burden as institutions would have this information readily available for their own financial management purposes.¹⁰¹

We assess the financial risk for each provider and adjust our monitoring accordingly. If a university or college faces significant financial risks, we may intervene to protect students' interests, working closely with the DfE and other stakeholders, such as validation partners.¹⁰² We collaborate and share intelligence, where appropriate, with the government, UK Research and Innovation, and others to support a coordinated approach and effective decision-making across the higher education system.

If a provider is at material risk of closure, we act to protect students.¹⁰³ This can include imposing a student protection direction (SPD) to reduce the impact of a closure on students. An SPD sets out steps a provider must take to protect students, such as setting out arrangements to secure continuity of study for current and future students if it is unable to continue to operate. A provider that is closing – or that

is partnered with one that is closing – has regulatory obligations, and contractual responsibilities to its students. Where a provider offering courses delivered through a subcontractual or validation arrangement is at risk of closure, we expect the lead provider to secure appropriate alternative options for students.

The diagram below shows our financial monitoring process and illustrates the approximate number of providers in each category during the 2023-24 reporting period. The funnel diagram shows how providers are filtered out at each stage, with those remaining subject to increasing levels of scrutiny or intervention.



The risk-based filtering process of assessment helps us to use our resources efficiently.

We are continuing to develop our use of quantitative and qualitative indicators to identify individual providers that need more detailed assessment. For 130 providers this resulted in informal engagement, followed for the majority, by more detailed engagement to improve our understanding of how a provider is managing the risks it is facing.

The formal monitoring category includes engagement meetings and may also include regular scrutiny of bespoke data returns. There were five active SPDs on 31 December 2024.

Our sector level analytical work this year has highlighted the significant financial challenges currently facing the English higher education sector. We published our annual report on the sector's financial sustainability in May 2024.¹⁰⁴ In November 2024, we published a mid-year update to show a worsening financial situation for the sector as a whole as a result of the impact of student recruitment in autumn 2024.¹⁰⁵ We published our most recent annual financial sustainability report in May 2025.¹⁰⁶

Financial sustainability of higher education providers in England

Our latest analysis from May 2025 shows that the sector continues to face significant financial challenges. We know from our engagement that providers are taking action to address their financial challenges. Our modelling indicates that many will need to do more to build resilience and support longer-term sustainability.

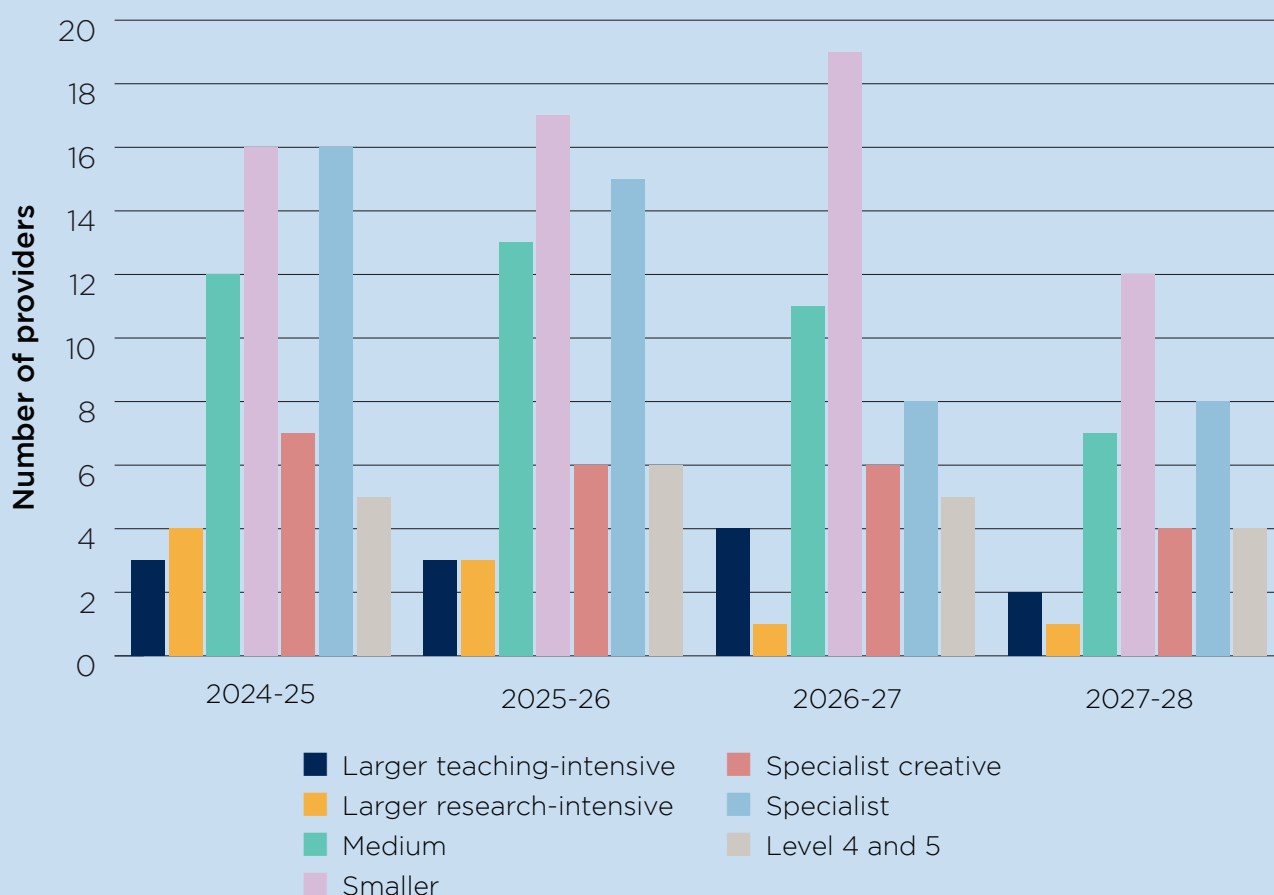
The data shows aggregate levels of surplus and liquidity are expected to decline, with 43 per cent of providers included in the analysis forecasting a deficit for 2024-25. Updated in-year data shows significant variation for different providers in relation to performance against their forecasts. The analysis shows that many providers

are expecting their financial position to improve from 2025-26 onwards although the forecast improvement has slowed when compared to previous forecasts. However, this improvement is predicated on ambitious growth in student recruitment. In aggregate, forecasts continue to predict growth of 26 per cent in UK student entrants and 19.5 per cent in international student entrants between 2023-24 and 2027-28. We think it is unlikely that this level of recruitment will be achieved. We encourage providers and their governing bodies to continue to assess financial risk and maintain robust oversight as the medium to long term pressures are significant and complex.

There is significant variation in surplus and deficit levels reported by individual providers. In 2023-24, 50 providers (19 per cent of the sector) reported surpluses that exceeded 10 per cent of income, whereas 110 providers (41 per cent of the sector) reported deficits. Providers' forecasts show the number forecasting deficits increasing to 118 providers (44 per cent of the sector) in 2024-25, with 63 of these expecting to report a deficit for three consecutive years (2022-23, 2023-24 and 2024-25).

Our analysis looks at patterns across the sector and groups of providers with similar typologies. Providers facing three consecutive year deficits are in each of the provider groups. The figure below shows the number of providers within each provider group predicting three consecutive years of deficits (excluding pension provision adjustments).¹⁰⁷

Number of providers forecasting three-year consecutive deficits, 2024-25 to 2027-28



Prioritisation of work on financial sustainability

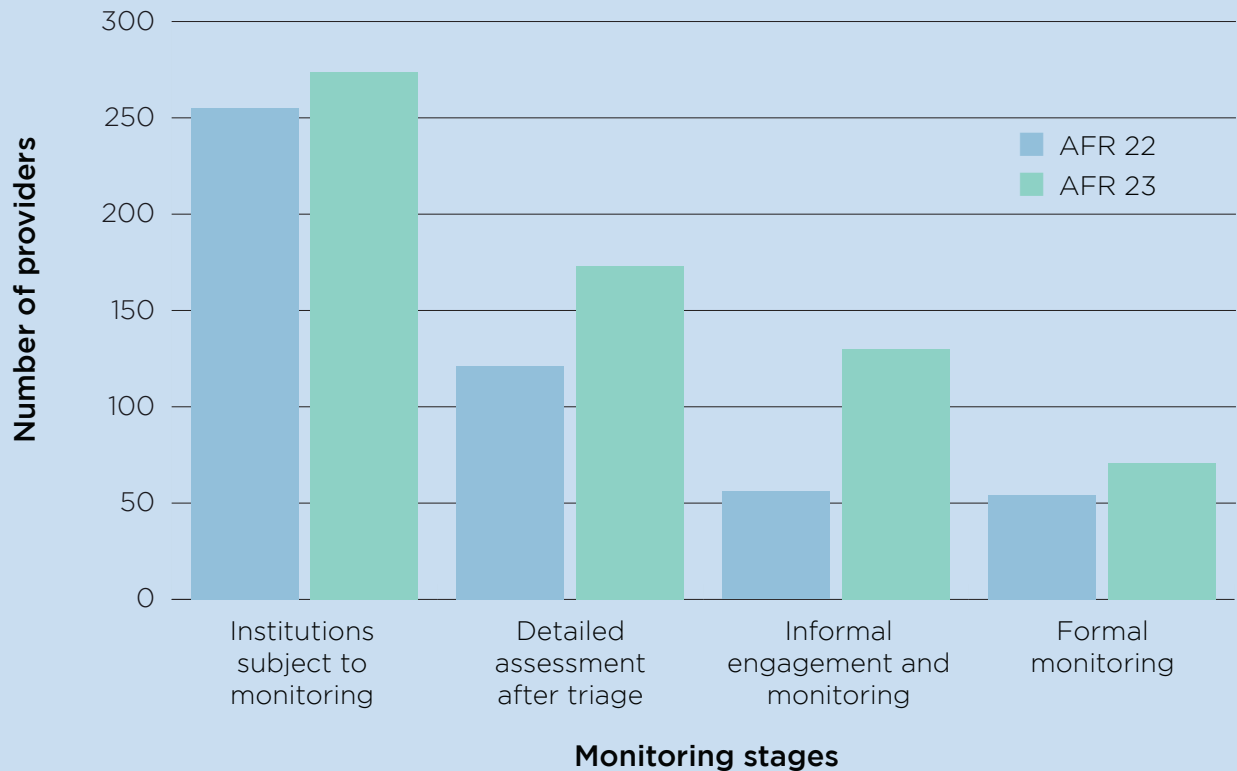
In response to the challenging financial environment, we intensified our efforts to monitor the financial health of providers, including more detailed interventions in some cases. We refocused our resources to provide an additional 33 full-time equivalent staff to work on financial sustainability and potential market exit cases. The government provided an additional £1.5 million to the OfS in this financial year to provide additional capacity and a greater range of expertise to evaluate the financial risks and transformation plans of individual providers. We drew on this support when the financial context of an institution was particularly complex, including for example, where it was addressing significant strategic change or a complex business model. The experts from these firms can offer targeted advice to the OfS and individual providers, prompting providers to take earlier action to improve their financial position and protect the interests of students.

The chart shows that in 2024, we delivered significantly more work in this area compared to the previous cycle. Indications are that the workload will continue to rise in the current year. At the end of March 2025, eight additional providers required detailed assessment following triage, compared to the same point in the previous cycle.

Our increased engagement with individual providers this year has led to a richer understanding of their financial challenges, their plans to manage those challenges, and their capacity to implement necessary changes to secure financial sustainability. This proactive approach has allowed us to intervene earlier and positively influence providers’ behaviour. Institutions are recognising the benefits of engaging with us more openly and earlier, and many are responding well to the challenges they face.

To further support providers, we published an Insight brief on the role of the OfS in institutional closures and set out our learning from the closure of two small and

**Number of providers at each monitoring stage:
AFR22 monitoring cycle compared to AFR23**



specialist higher education providers, as well as from other cases where there had been a serious risk of a closure which did not materialise. It suggests ways providers can ensure they would be well prepared if they face significant risk, considers the importance of effective communication with students, and how universities and colleges may be affected by the closure of their subcontractual or validated delivery partners.¹⁰⁸

Find out more about...



Find out more about in our [Insight brief on protecting the interests of students when universities and colleges close](#).

Strengthening management and governance

It is essential that universities and colleges have strong governance to provide scrutiny and challenge on financial matters. Our engagement with providers has underscored the need for leadership teams and governing bodies to have the right skills and experience to ensure effective oversight.



Action to strengthen management and governance in providers this year included:

Asking universities and colleges to stress test their business models (using analysis to explore how financial health would be affected by particular events or situations) to identify financial weaknesses and identify mitigations.

Consulting on strengthened requirements for providers seeking registration to better protect students and taxpayers.

We are engaging more directly where a provider's financial plans do not provide sufficient assurance that it is responding appropriately to risk. We recognise that the financial sustainability of a provider relies on effective management and governance.

This year, we encouraged universities and colleges to reflect on governance issues, to review the size and composition of their governing bodies, and ensure decisions involve appropriate student participation. We asked them to stress test their business models to identify financial weaknesses, identify mitigations, and use credible analysis to explore how financial health would be affected by specific events or situations. Where we identify risks related to management and governance for an individual provider, we may impose additional requirements to address these issues. We hosted roadshows with chairs of providers' governing bodies, providing an opportunity to discuss governance issues in higher education and explore the challenges and barriers for chairs. This will inform our thinking about how we regulate management and governance across the sector.

Consultation on reforms to registration requirements

We impose initial conditions of registration for providers seeking to register with the OfS. In February 2025, we consulted on changes to these conditions to better protect students and taxpayers, to identify providers not yet ready to join the regulated sector, and to address the increased financial risks in the operating environment.¹⁰⁹

The profile of providers applying for registration has changed. Many new applicants lack a track record in higher education, unlike the established universities and colleges that registered with us in 2018. To respond to this change, we have proposed stronger requirements for

management and governance. This includes requirements to ensure a provider's leaders have sufficient knowledge and experience and meet 'fit and proper' requirements, and stronger tests to ensure a provider treats students fairly, and has a clear business plan. Our proposals are designed to ensure that all providers have robust arrangements to prevent, detect and stop fraud and misuse of public funds and a satisfactory track record in relation to receiving and accessing public funds.

The DfE also consulted on proposals to require subcontractual delivery providers with over 300 students to register with the OfS by September 2027 if they wish their courses to continue to be eligible for student finance.¹¹⁰

Protecting public funding

Over the past 18 months, the DfE, the SLC, and the OfS have focused on ensuring clearer roles and responsibilities for safeguarding public funding and addressing increasing risks of misuse of public funds.

To mitigate these risks, we have sought to strengthen the management and governance of providers, with particular attention to subcontractual arrangements. Lead providers are directly responsible for the practices of their delivery partners in these arrangements.

Actions to safeguard public funding and protect students this year included:

Reiterating to the higher education sector its role in preventing fraud and abuse and raised awareness of the risks and benefits associated with subcontractual arrangements.

Sharing good practice and advice to ensure that students are not being mis-sold courses or loans.

Increasing our supervisory activity for lead providers in subcontractual arrangements.

Agreeing a joint incident response plan with the DfE and SLC to provide a framework where fraud or risk to public funding is suspected.

Establishing systematic processes for sharing information with the SLC.

Publishing pilot student outcomes data for six lead providers in subcontractual arrangements showing the performance of each of their delivery partners.

We recognise that subcontracting can bring benefits. But we are concerned that badly managed arrangements increase risks for students, taxpayers and the reputation of English higher education. Any university that subcontracts courses remains responsible for the quality of those courses, must have sufficient oversight of its partners, and must ensure public money is being properly spent. Our concerns about subcontractual arrangements include weaker student outcomes, ineffective management and governance, and misuse of public funds.

Outcomes for students studying in subcontracted providers are weaker when compared to the sector as a whole, and to lead providers' individual performance.¹¹¹ The student outcomes we focus on include continuation, completion and progression rates. (See the 'Quality' section of this report for a detailed explanation of student outcomes.) The decline in continuation rates of students in subcontractual partnerships (at sector level) has been particularly significant in recent years, with full-time first degree students at subcontractual providers now 13 percentage points less likely than others to continue with their studies compared to non-subcontractual students.¹¹²

How does subcontracting work?



Many universities and colleges registered with the OfS are involved in subcontractual arrangements. In 2023-24, there were **106 registered lead providers** with around **330 delivery partners**. Just over a third (**112**) of delivery partners were registered with the OfS.



In subcontractual arrangements, students pay tuition fees to the lead provider, either directly or via the SLC. The lead provider retains a percentage, passing the majority of the tuition fees to the delivery partner.

Some lead providers now teach more students through these arrangements than directly on their own campuses.

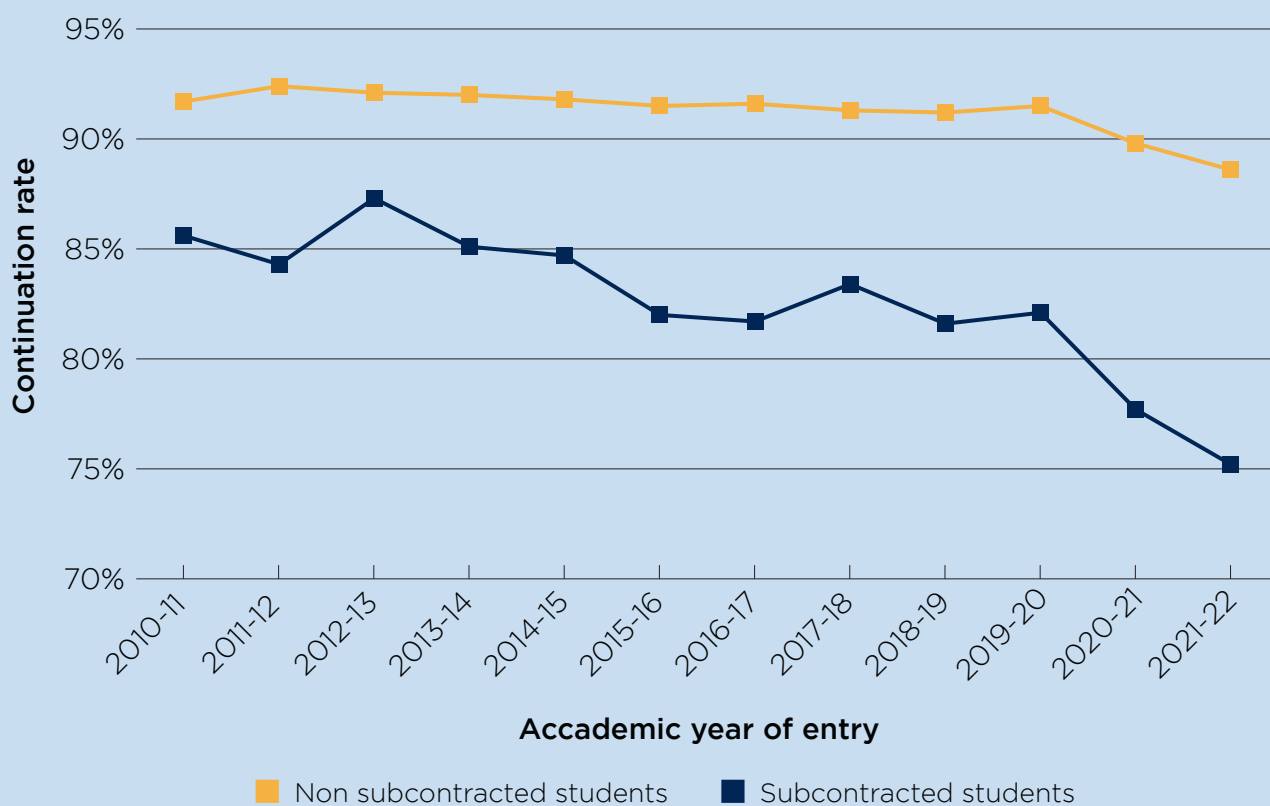
To remain registered with the OfS and draw on public funding via student loans, universities and colleges must comply with the OfS's conditions of registration, which apply in relation to all higher education courses and all registered students. We do not have a role in approving the arrangements that universities and colleges enter with third parties. However, our regulatory framework applies to subcontractual arrangements.

Our engagement with lead providers has shown that governing bodies and senior teams do not always possess the skills needed to manage subcontractual arrangements effectively, including the ability to scrutinise partners' business models and assess the benefits and risks for the lead provider, delivery partner, and students. We are also concerned that tuition fees may be used to fund poor quality courses, and that tuition fees and maintenance loans may be paid on behalf of and to individuals who are not attending courses. This represents poor value for money for students and taxpayers.

In January 2024, the National Audit Office (NAO) published an investigation into student finance at subcontracted higher education institutions.¹¹³ Of the NAO report's ten recommendations, four required the OfS to take action, including in partnership with DfE and the SLC. We implemented these recommendations and are on track to implement associated recommendations from a Public Accounts Committee hearing and a Government Internal Audit Agency review into the risks related to subcontractual activity.¹¹⁴

One NAO recommendation was that the OfS and DfE should jointly reiterate to universities and colleges their role in preventing fraud and abuse. We highlighted the increased risks of subcontractual partnerships to all providers' accountable officers and published an Insight brief in September 2024 which set out some key considerations to assist lead providers in ensuring effective governance and oversight of subcontractual arrangements.¹¹⁵ We also published data on student outcomes from subcontractual partnerships, based on a pilot with six lead providers and 17 delivery partners.¹¹⁶ We plan to extend this work to all subcontractual partnerships in England, publishing this data in December 2025.

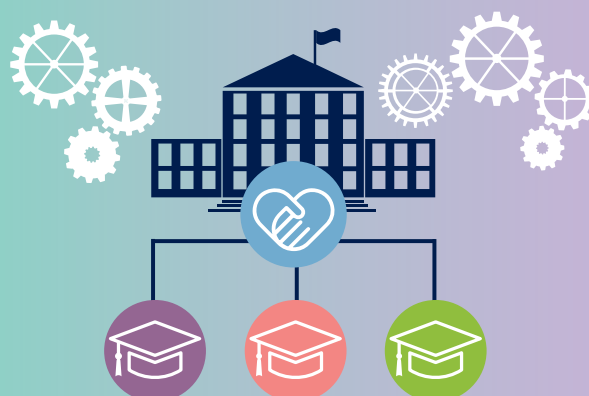
Continuation rate by whether students are studying in a subcontractual partnership, full-time first degree students



Additionally, we have increased our engagement with stakeholders like Ofqual and Pearson to improve information sharing about qualifications and examinations delivered to students by some delivery providers.

Over 5 per cent of students are now taught through **subcontractual arrangements.**

“ There were **over 138,000** students taught in subcontractual arrangements in 2022-23. This is **double the figure from 2019-20.** ”



This year the OfS opened formal investigations into some universities' and colleges' subcontractual arrangements.

We carried out an investigation into **Applied Business Academy (ABA)** relating to concerns about its Diploma in Education and Training course. During the investigation the provider stopped offering higher education, which prevented the conclusion of our investigation. However, we found serious concerns relating to quality and standards; and governance. This included concerns about the legitimacy of student placements and their assessment, concerns about staff qualifications and limited oversight and controls of staff and DET course delivery. We published a case report to help other providers offering the same or similar courses prevent these issues arising.¹¹⁷ We also opened an investigation into **Brit College Limited** in response to potential concerns.¹¹⁸

We imposed a monetary penalty of £115,000 on **Leeds Trinity University (LTU)** after an investigation in respect of the period from October 2022 to February 2024 identified that the university did not have effective arrangements in place to respond to rapid growth in its subcontractual provision. The number of students taught in these arrangements had risen from 3,600 students in 2020-21 to 9,400 students in 2022-23.

The university worked co-operatively with the OfS throughout the investigation. Under the terms of the agreed settlement, the university has accepted it breached the OfS's regulatory requirements relating to management and governance, has paid the monetary penalty, and has agreed to a range of measures which include restrictions on its future partnership activity. A case report explains the compliance concerns identified and the settlement agreement reached with the university.¹¹⁹

Find out more about...

Find out more about in our [Insight brief on subcontractual arrangements in higher education](#).

Sustainability report

The OfS aims to act in an environmentally and socially responsible manner to achieve our goals. We strive to achieve value for money in operating our estate while also assessing and minimising our environmental impact. We incorporate best practice from across the public sector to help us develop targets for future emission reductions, as well as identify and implement sustainability improvements. As a part of incorporating best practice, we review our historical usage figures comparing the OfS with other organisations of a similar size and function. We are continually reassessing our operations with climate change adaptation in our minds and plans.

In line with reducing our environmental footprint and achieving value for money, we had reduced our estate to Westward House in Bristol, which we share with UK Research and Innovation (UKRI) Research England, and a small office in the Government Hub Sanctuary Buildings in London. During March 2025, our small office in Sanctuary Buildings moved to the Government Hub at 10 South Colonnade in Canary Wharf.

The small size of our estate is possible because the majority of our staff continue to work in a hybrid way, both in our offices and remotely. This shift in working patterns has enabled reductions in our emissions and is reflected in this year's data, where our electricity and gas usage have seen a substantial year-on-year decrease.

Though our estate has limited green space, this year we considered steps we could take to conserve and improve biodiversity. We encourage the contractor that maintains our outside spaces to maintain and improve their ecological value where possible.

Greening government commitment performance

As a non-departmental public body of the DfE, we report greening government commitment (GGC) figures quarterly to the department. In line with the broader GGC 2021-2025 goals, we aim to reduce our emissions, waste and water consumption. This is reflected in the targets we have set out below. The current GGC targets use 2017-18 as a baseline to demonstrate progress, but the OfS was established during 2018-19. Our progress is therefore relative to our 2018-19 baseline. However, the scale and scope of the OfS has grown substantially since operations began in 2018-19, and so using 2018-19 as a baseline is not directly comparable to targets for reductions from 2017-18.

Our policy encourages business travel via public transport whenever feasible. We ask staff to consider whether meetings can be conducted through video or telephone conferences to minimise travel. Nonetheless, engagement with staff at institutions and with students is essential to our work, making some in-person meetings indispensable.

We are working towards removing single-use plastics from our estate.

We note that this is the final year for this period of GGC goals. We look forward to working with the DfE in the future to establish and meet new targets for the next GGC period, 2025-2030.

Performance against baseline

Category	2024-25	2018-19 baseline	Percentage change	Target
Overall greenhouse gas emissions (t CO ₂ e)	119	317	-62%	Reduce overall greenhouse gas emissions by 56% from baseline
Direct greenhouse gas emissions (t CO ₂ e)	31	94	-67%	Reduce direct greenhouse gas emissions by 36% from baseline
Domestic business flight emissions (t CO ₂ e)	2.2	9.5	-77%	Reduce domestic business flight emissions by at least 30% from baseline
Overall waste generated (tonnes)	10.1	21.54	-53%	Reduce overall waste generated by 15% from baseline
Proportion of waste going to landfill	0%	10%	-10%	Reduce the amount of waste going to landfill to less than 5% of overall waste
Proportion of waste that is recycled	65%	90%	-25%	Increase the proportion of waste that is recycled to at least 70% of waste
Paper consumption (A4 equivalent reams)	753	948	-21%	Reduce paper consumption by 50% from baseline
Water consumption	1.85	6.92	-73%	Reduce water consumption by at least 8% (m ³ per full-time equivalent OfS and Research England staff) from baseline

Taskforce for climate-related financial disclosure

We are reporting on climate-related financial disclosures consistent with HM Treasury's (HMT) disclosure application guidance. This is aligned with the Taskforce for climate-related financial disclosure (TCFD), which it interprets and adapts the framework for the UK public sector.¹²⁰

We report the following TCFD recommendations and disclosures in compliance with phase one and phase two of the UK public sector implementation. After reviewing our climate-related risks, the OfS does not consider climate change to be a principal risk. Rather, given the small size of our estate, we monitor this risk within our corporate risk register.

Governance – recommended disclosures

- **Board's oversight:** Our RAC, which is a committee of the OfS board (see the board and committee structure in the Corporate governance report) annually reviews our sustainability performance data and climate-related issues. The OfS board receives a report from RAC following each meeting of the committee. The most recent review, informed by the sustainability data from 2023-24, took place in June 2024.

As a part of our sustainability risk management review, the RAC also monitors climate-related risk to the OfS as a routine part of managing our corporate risks (see the heading of 'Risk management systems and responsibilities' in the Corporate governance report).

- **Management's role:** We have an OfS Executive Committee (ExCo). Our Risk and Performance (RAP) subcommittee of ExCo (see the heading of 'Organisational structure and decision-making' in the 'Corporate governance report') has responsibility for overseeing climate-related issues. The committee continues to monitor implementation and performance against targets, reviewing and managing our corporate risks, and other climate-related issues. Climate-related material comes before the committee for review and discussion at least twice a year. ExCo meets once a month and receives a report from RAP following each meeting of the subcommittee.

Metrics and Targets – recommended disclosures:

- **Metrics:** We report our scope 1, 2 and 3 greenhouse gas emissions in line with the scope of the GGC and the methodology described in the Sustainability Reporting Guidance, which is in accordance with Greenhouse Gas Protocols.¹²¹ We take into account transmission and distribution of electricity and overnight hotel stays, in addition to our official business travel, to calculate our scope 3 emissions. This reporting is in line with our reporting against our baseline year, 2018-19.
- **Emissions:** We report our scope 1, scope 2 and scope 3 greenhouse gas emissions in line with the scope of the GGC and the methodology described in the Sustainability Reporting Guidance.
- **Targets:** As a member of the DfE group, we adopt sustainability targets set by the DfE.¹²² These targets include scope 1, 2 and 3 emissions. For this operating year, those were targets set for the GGC 2021-25 (see the table above showing 'Performance against baseline' for information about specific targets).

Risk management – recommended disclosures

- **Risk identification and assessment:** We identify climate-related risks in line with our broader risk identification and assessment policies. During this operating year, we undertook a review of our corporate risks and identified a new climate-related risk that sits in the corporate risk register. This risk considers factors such as higher energy costs, public sector commitments to net zero, and longer-term costs and associated corrective costs. The addition of a climate-related risk, along with the wider review of our corporate risk register, was overseen by the RAP subcommittee of ExCo and at board-level by the RAC.
- **Risk management:** We evaluated the risks outlined in tables A1.1 and A1.2 of TCFD-aligned disclosure guidance.¹²³ In the process of identifying and assessing climate-related risk as a part of our corporate risk register, our RAP and RAC agreed to adopt a comprehensive approach, adding a single integrated risk. This approach aligns with our approach to our corporate risk register, which includes 20 consolidated risks. We do not report against external risk frameworks, though we do manage our risks in line with the UK Government's Orange Book.¹²⁴
- **Overall integration:** Our climate-related risk is on the corporate risk register. For more information about our corporate risk register, including how we identify, assess, and manage those risks, see the heading of 'Risk management systems and responsibilities' in the Corporate governance report.
- We are preparing to implement Phase 3 of TCFD public sector guidance on strategy requirements over 2025-26.

Mitigating climate change and net zero 2050

In line with the reporting requirements, we detail here our direct emissions (scope 1), indirect energy emissions (scope 2), and other indirect emissions (scope 3). Our analysis of data follows HM Treasury Sustainability Reporting Guidance.¹²⁵ Additionally, in line with our previous reporting, we also provide more detailed breakdowns of emissions relating to our business travel and waste.

When compiling this report, complete data for the final quarter of financial year 2024-25 was not available. As we have done in previous years, we extrapolated data on quarter four of the previous operating year, to produce the annual figures below.

Following guidance published by the Department for Energy Security and Net Zero and the Department for Environment, Food and Rural Affairs, total greenhouse gas emissions are calculated using current conversion factors for the reporting year.¹²⁶

OfS greenhouse gas emissions (tonnes of CO₂e)

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Total gross emissions for scope 1* (direct emissions) ⁺	94	91	48	106	108	64	31
Total gross emissions for scope 2* (energy indirect) ⁺	125	115	66	70	69	47	36
Total gross emissions for scope 3 (other indirect) ^{**}	98	75	6	10	20	35	52
Total emissions	317	281	120	186	197	146	119
Carbon intensity (per £ million expenditure ^{***})	11	9	4	6	7	5	4

Note: 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 gases to be expressed as a single number.

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

** We take into account transmission and distribution of electricity and overnight hotel stays in addition to our official business travel to calculate our scope 3 emissions.

*** We have not included our grant funding activity or the activity of our assessors.

+ In previous years, we have accounted for our increased estate in Bristol and London. Our estate in Bristol during 2024-25 is smaller. We have also been able to include estimated data on electricity, gas or water from our small office space in Sanctuary Buildings in London. We are working with the building managers of 10SC Canary Wharf to estimate our gas, electricity, and water usage during our time in office space in the building for the future.

Green electricity tariff carbon offset

The OfS buys electricity via a green energy tariff, a blended tariff consisting of 50 per cent zero carbon and 50 per cent renewables, from our energy provider, EDF. EDF reports annually on the CO₂ produced

by energy purchased on these tariffs.¹²⁷ This year, EDF reported that there were no carbon emissions generated in the production of this electricity. The table below demonstrates what the impact of those emissions reductions would be on our overall emissions.

Emissions offset

	Unit	2024-25
Total emissions offset from zero carbon electricity generation	Tonnes of CO ₂ e	36
Total net emissions	Tonnes of CO ₂ e	83

Note: 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 gases to be expressed as a single number.

If we were to take into account these carbon emissions offsets, the OfS would have reduced its overall greenhouse gas emissions by 74 per cent from the 2018-19 baseline.

Business travel

Our business travel has increased substantially this year compared with last year. However, it remains well below our

pre-pandemic levels. This increase in travel is due, in large part, to a planned programme of visits to higher education providers across England. During 2024-25 we visited over 60 universities and colleges to increase understanding of our work and listen to feedback from staff and students. We expect that engagement work to continue over the next year.

Travel

	Unit	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Car	£000	15	18	1	1	7	11	9
Taxi		17	10	1	0	1	2	3
Rail		544	374	0	23	84	152	202
Air		10	14	0	0	0	1	5
Total business travel	£000	586	416	2	24	92	166	219
	Tonnes of CO ₂ e	87.7	65.3	0.7	3.6	12	24.1	37.9
Travel carbon intensity per full-time equivalent	Tonnes of CO ₂ e	0.24	0.17	0	0.01	0.03	0.05	0.08

Air travel

	Unit	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Number of flights		79	81	0	2	2	5	14
Domestic flights	Tonnes of CO ₂ e	9.5	8.3	0	0	0.3	0.3	2.2
Short-haul international		1.3	0.7	0	0.4	0	0.3	1.7
Long-haul international		3.8	8.7	0	0	0	1.9	4.3
Total emissions	Tonnes of CO ₂ e	14.6	17.7	0	0.4	0.3	2.5	8.2

Breakdown of OfS greenhouse gas emissions from air travel

In line with our business travel, we have seen an increase in air travel this year. OfS travel policy states that domestic (UK) flights are not permitted, unless there is a valid reason why travel on land-based public transport is not an option. The numbers in the table below indicate return journeys. Five domestic flights were taken (three from Bristol to Glasgow, one from Bristol to Belfast and one from London to Belfast). Five short-haul international flights were taken to Hannover in Germany, Amsterdam in the Netherlands, Rome in Italy and Madrid in Spain. Two long-haul international flights were taken to

Malta and one to Islamabad, Pakistan. This year, the needs for flights arose primarily from goals relating to our regulation of quality and transnational education.

Waste minimisation and management

This year, we reduced the amount of waste we produced, compared with the 2018-19 baseline as well as the previous year. We have decreased the amount of non-recycled waste, despite an increase in the number of staff and use of our office space, and we have more substantially decreased our recyclable waste. We remain committed to recycling a larger proportion of our waste.

Waste

	Unit	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Non-recycled waste	Tonnes	2.06	6.71	0.35	0.36	6.84	4.57	3.55*
	£000	4	3	0	0	4	**	**
Waste recycled at source	Tonnes	19.48	13.12	2.96	6.60	8.09	4.89	6.55
	£000	3	6	2	2	4	**	**
Total waste	Tonnes	21.54	19.83	3.31	6.96	14.93	9.46	10.1
	£000	7	9	2	2	8	7	6
Total waste recycled at source	Percentage (%)	90	66	89	95	54	52	65
Waste intensity per full-time equivalent	Kg	60	51	9	18	35	21	21

* Our waste contractor, Veolia, attributes none of our waste to landfill.

** Our waste contractor has not apportioned costs to recycled and non-recycled waste. Our waste costs on our Bristol site were £6,282.67 for this annual reporting period. For comparison, those costs were £7,325.26 during 2023-24. As of publication, we have not been able to determine our waste costs associated with Sanctuary Buildings.

Water, energy and paper

	Unit	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Paper	A4 reams equivalent	948	274	0	20	780	1021	753*
Water**	Cubic meters (m ³)	6.92	6.62	1.38	1.65	1.25	2.16	1.85
	£000	10	10	2	3	5	4	4***
Electricity	Megawatt-hours	443	452	285	328	358	227	158
	£000	81	81	52	64	87	68	52
Gas	Megawatt-hours	508	495	260	580	603	327	146
	£000	15	17	11	21	32	20	10
Total utilities	£000	106	108	65	88	124	92	66

* This figure, in line with previous years, is estimated based on the weight of our paper waste. Our paper procurement figures indicate that we purchased 140 A4 equivalent reams during this period.

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

*** Does not include costs associated with estimated water usage at our office in Sanctuary Buildings, London.

Water, energy and paper consumption

The report on our direct consumption of water and energy (finite resources) combines available data for our Bristol and now closed London offices. The OfS shares its Bristol offices with UKRI Research England and we are unable to separate usage with sub-meters. Therefore, we have collected data for the whole building and reported on behalf of all occupiers in line with Treasury guidance. We experienced difficulties in obtaining invoices for utilities in the Government Hub in Sanctuary Buildings. Therefore, it has not been possible to include water figures for this office space in the relevant tables below.

We report that we have consumed less paper during this year compared with both the previous year and the 2018-19 baseline. The figure in the table below is an estimate. In line with the availability of data in previous years, it is a figure based on the weight of our paper waste. This year, we procured 140 A4 reams. We plan to report only paper procurement for the next GGC period.

The energy and water resources consumed in the course of staff working from home are not measured here.

Nature recovery and biodiversity

We aim to increase biodiversity and behave a way that encourages nature recovery on our sites, including compliance with the public sector biodiversity duty. Recognising that we have a single-building estate with modest surroundings in Bristol and shared space in a London office building, we nonetheless encourage our contractors and staff to maximise the biodiversity of our site. For example, in August 2024, we built and installed bug hotels.

Sustainable procurement

The OfS embeds sustainable and socially responsible procurement practice into its operations, improving value for money by reducing waste, protecting biodiversity, and supporting sustainable economic growth. We follow the Chartered Institute of Procurement and Supply's Corporate Code of Ethics and hold its Corporate Ethics Mark, demonstrating ethical values in the way we source and manage suppliers.

Operational measures for core regulatory activity

We have four OMs which report on the performance of our core regulatory activity:

- OM 1 measures our performance in resolving incoming reportable events.
- OM 2 measures our performance in resolving incoming notifications.
- OM 3 measures our performance in resolving registration applications.
- OM 4 measures our performance in resolving applications for degree awarding powers.

Find out more about...



Find out more about [Operational measures](#) on our website.

The quarters shown in the graphics relate to calendar years and include data up until December 2024. The data is necessarily lagged because of the need to determine how long it has taken to resolve individual cases.

OM 1: Reportable events

Why are we measuring this?

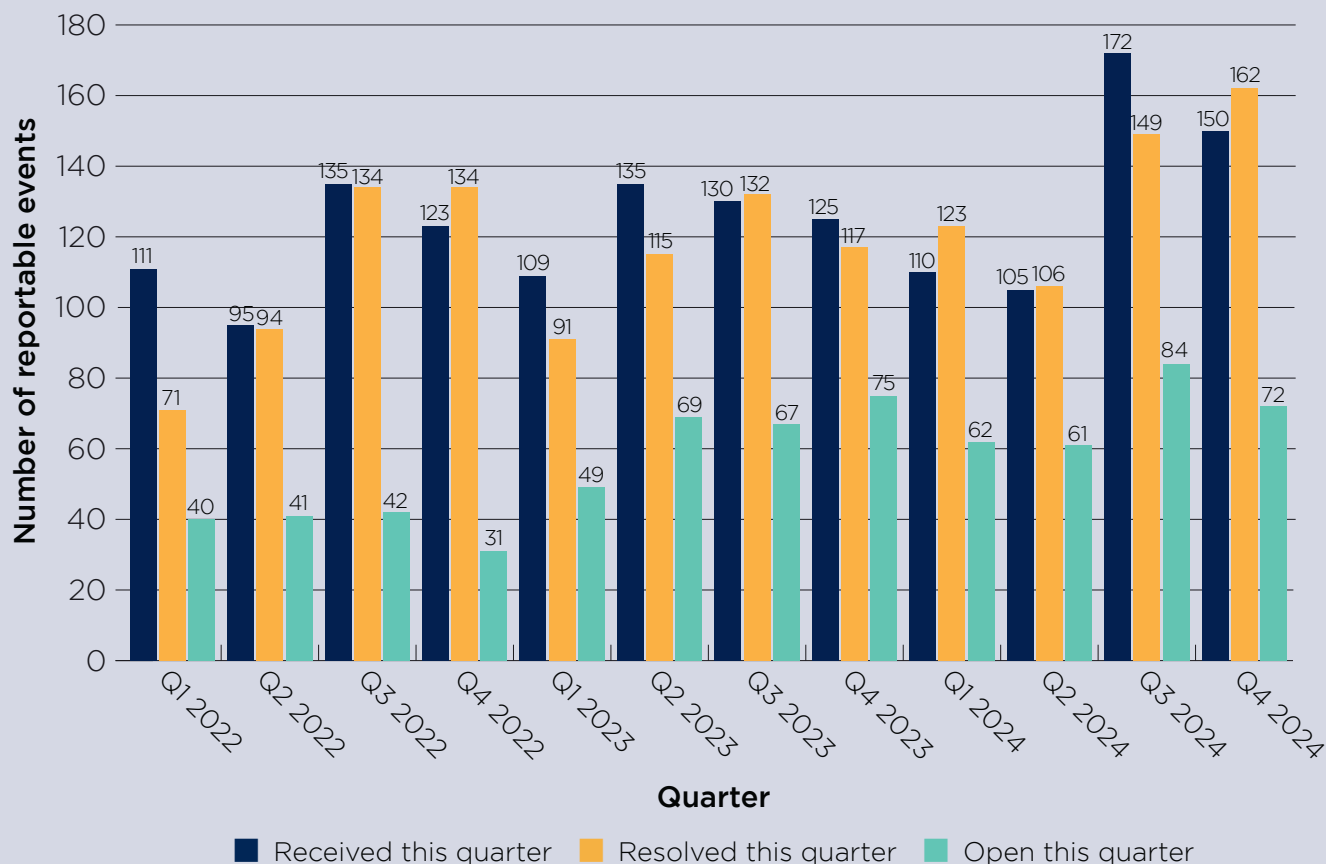
Reportable events are a key component of our risk-based approach to regulation. They contain information from a provider that is directly relevant to our regulatory activity. We use this to update our assessment of the risk that a provider may breach its conditions of registration and consider whether any intervention is necessary.

It is important that we consider the information in incoming reportable events promptly so that we have up to date risk assessments. If our approach for reportable events is efficient, we would expect a short resolution period.

What does this show?

OM 1A shows at the close of 2024 calendar year, we had recorded 537 reportable event cases and resolved 540 cases, compared to the recording of 499 cases and resolving of 454 cases in 2023. An accompanying chart for OM 1B on our website shows the number of days taken to resolve each reportable event and how this varies over time. OM 1B shows that, at 31 December 2024, the maximum length of time we would expect to resolve a new reportable event case was 39 days, which compares to 40 days as at 31 December 2023.

OM 1A: Number of reportable events received, resolved and remaining open



OM 2: Notifications

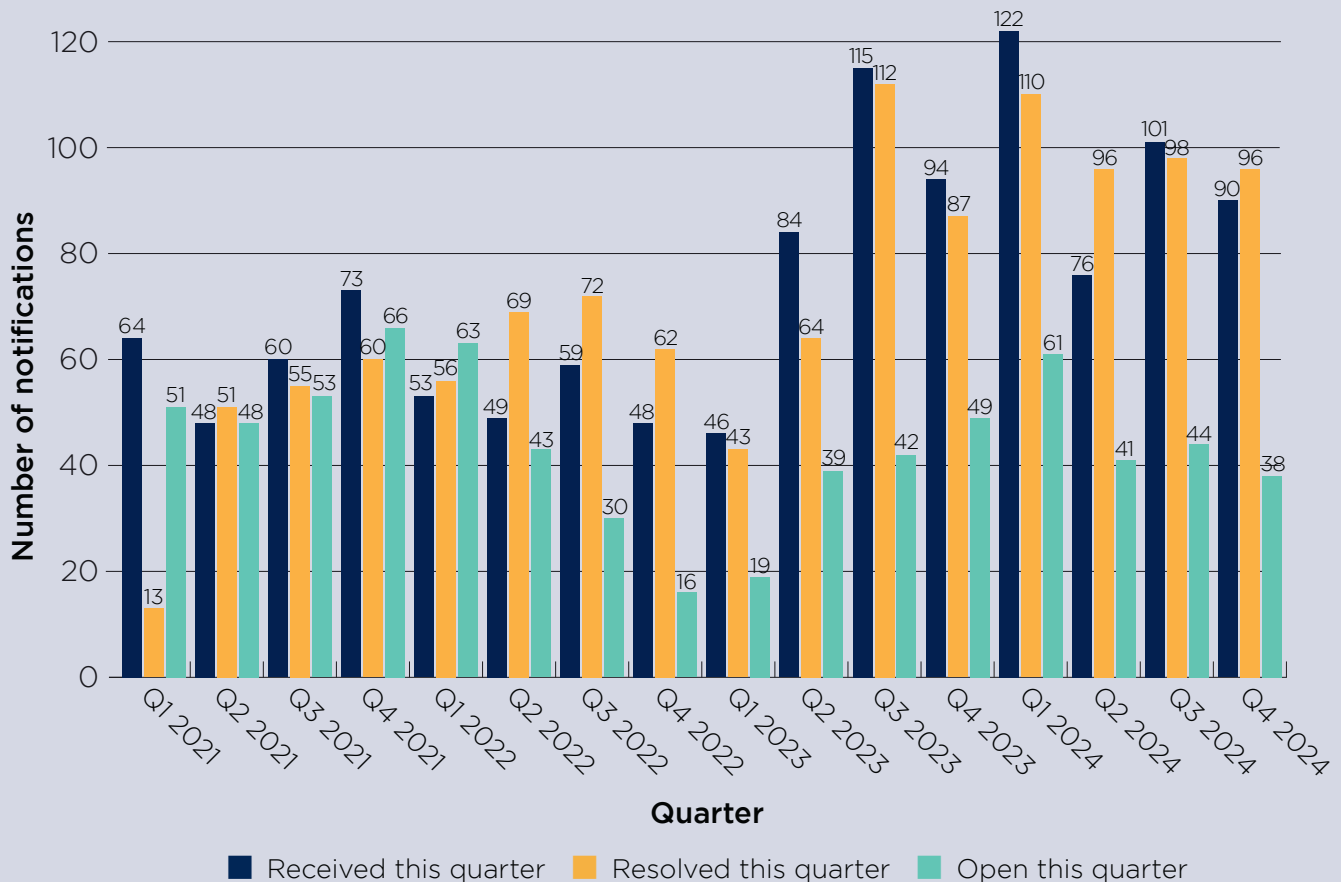
Why are we measuring this?

Notifications are another important component of our risk-based approach to regulation. They are new information from third parties such as students, parents, or staff working at a university or college, that is directly relevant to our regulatory activity. We use this to update our assessment of the risk that a university or college may breach its conditions of registration and consider whether any intervention is necessary. Notifications may relate to the quality of courses, assessment and standards, or courses not being delivered as promised or expected. We assess these and determine whether we should work with a provider to understand what happened, and what action it proposed to take.

What does this show?

OM 2A shows at the close of 2024 calendar year, we had recorded 389 notifications and closed 400 cases, compared to our recording of 338 cases and closing of 304 cases in 2023. An accompanying chart on our website shows the number of days taken to resolve each notification over time. OM 2B shows that, at 31 December 2023, the maximum length of time we would expect to resolve a new notification was a maximum of 44 days. This compares to 45 days at the end of December 2023.

OM 2A: Number of notifications received, resolved and remaining open



OM 3: Registration

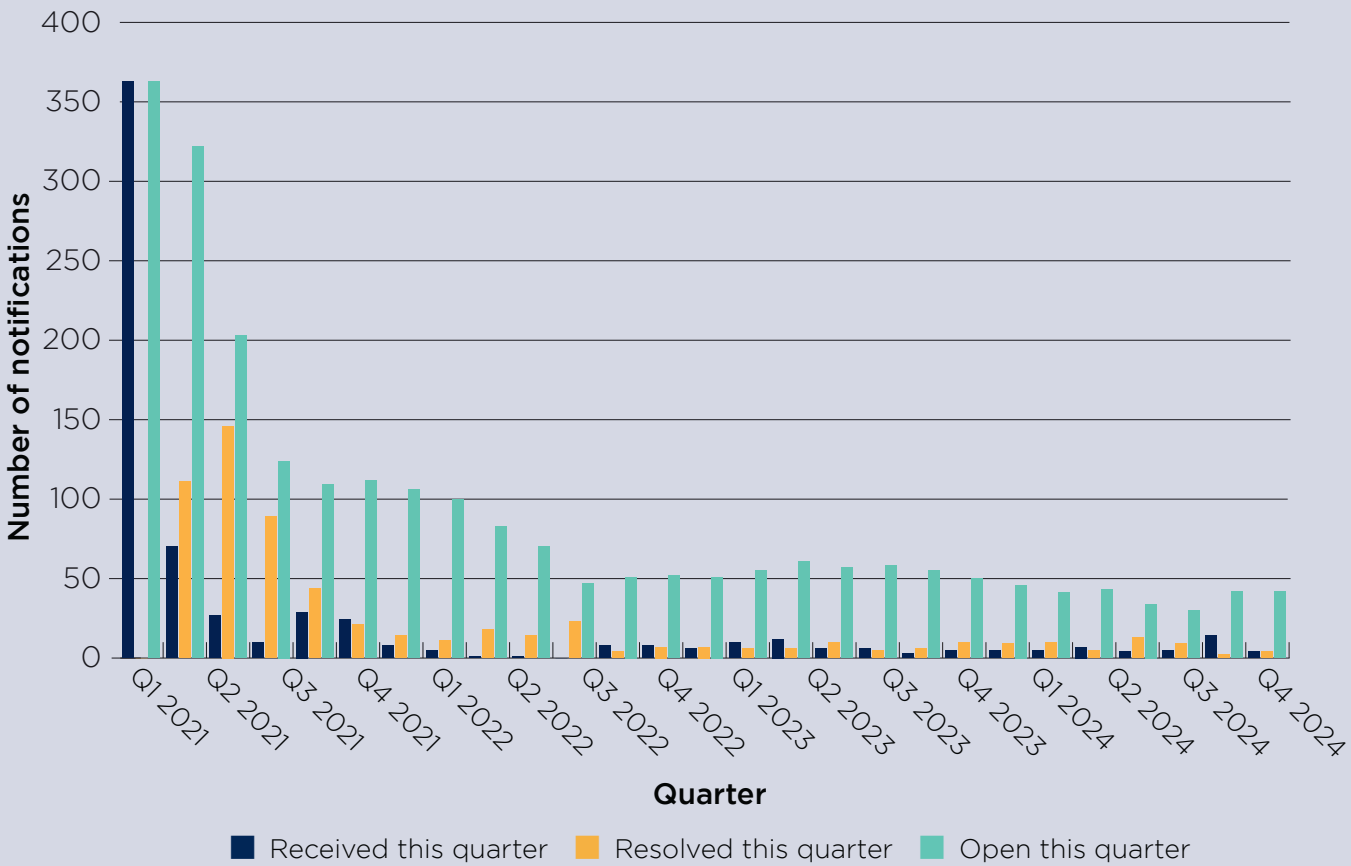
Why do we measure this?

Registration allows new, innovative, high quality providers to gain access to the benefits of registration and improves diversity of choice for students. It is important that we make decisions about registration decisions in good time, so that providers that meet our initial conditions of registration can enter the regulated sector and recruit students. It is also important that our assessment process is rigorous to ensure that only providers able to submit high quality applications and meet our requirements are registered. A pause on accepting applications to register with the OfS was in place from December 2024 and the consequences of this are partly reflected in this data. These temporary changes will end in August 2025, and the OfS will reopen for new applications and resume paused assessments on a staggered basis.

What does this show?

We received 27 registration cases in the 2024 calendar year and resolved 28 cases. At the end of December 2024, we held 42 unresolved registration applications. These applications are at various stages of the application process. This compares to 43 unresolved applications at the end of December 2023.

OM 3: Number of registration applications received, resolved and remaining open



OM 4: Authorising degree awarding powers (DAPs)

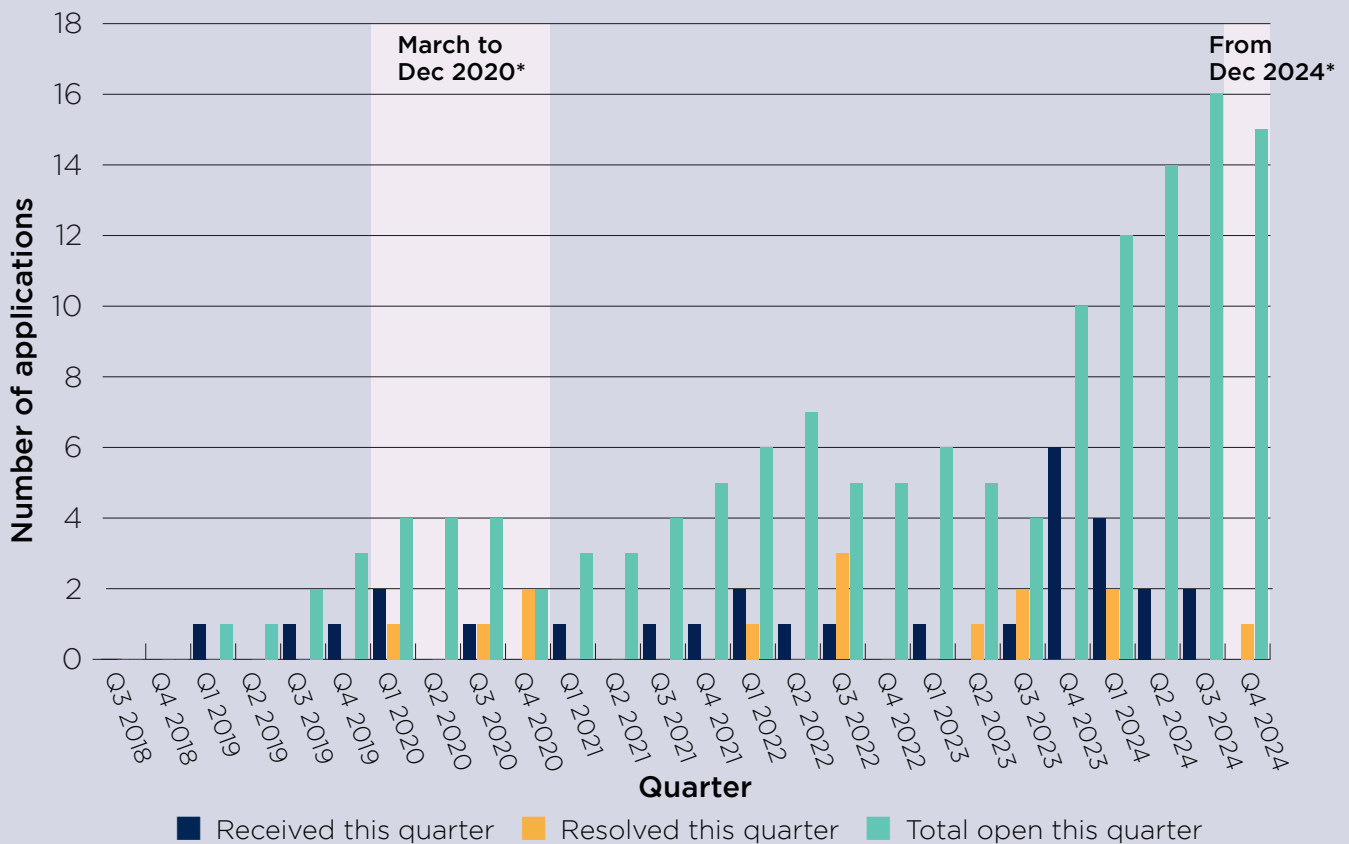
Why do we measure this?

The authorisation of degree awarding powers (DAPs) is an important part of the OfS's role. Authorisation allows high quality providers to award their own degrees and improves diversity of choice for students. While it is important that we make decisions about DAPs applications in good time, so providers that meet our criteria can award their own degrees, our assessment process must be rigorous to ensure that only providers able to submit high quality applications and meet our requirements are authorised for DAPs.

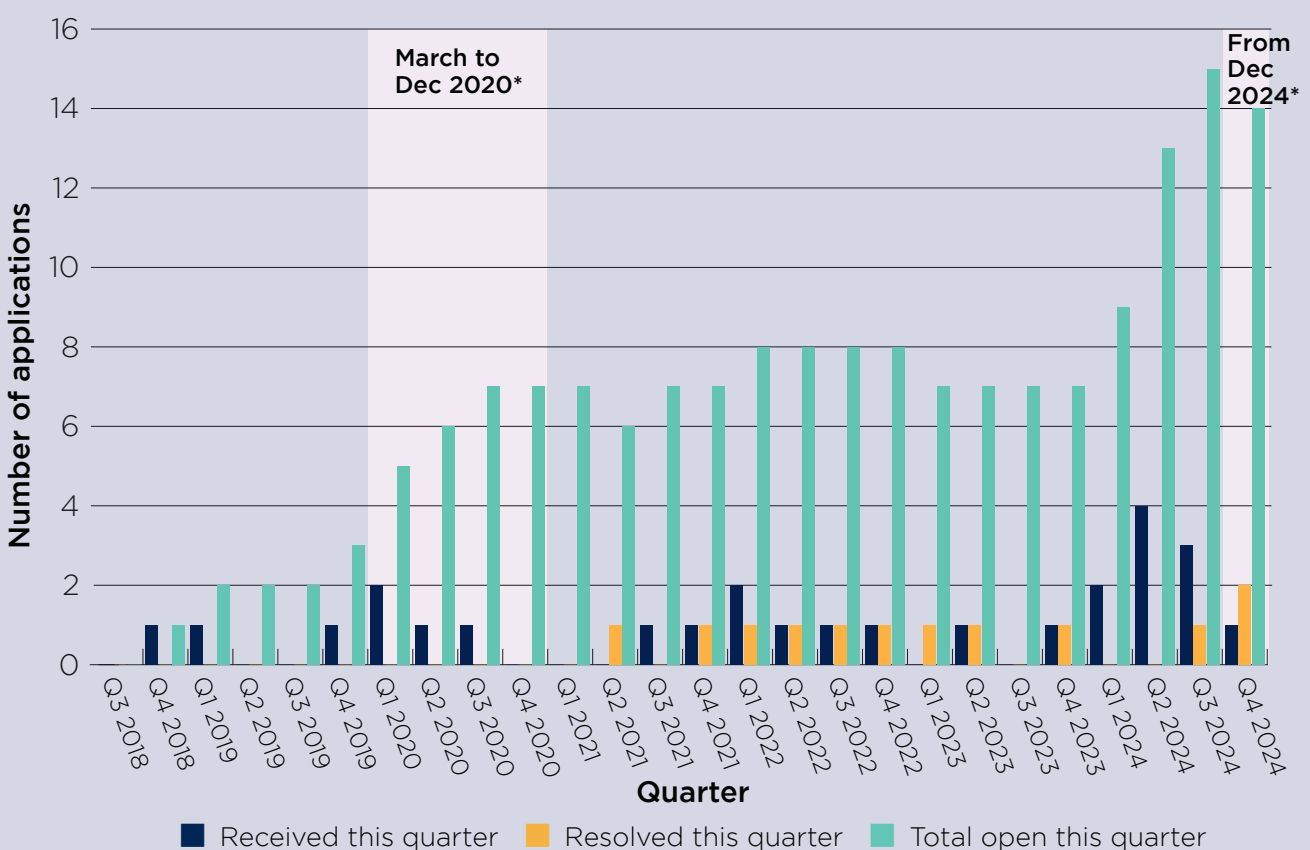
There are two categories of work in this area. One is authorising New DAPs where a provider has been offering higher education for fewer than three years – powers here are granted on a probationary basis. The second category is authorisation of Full DAPs. A provider that has offered higher education for more than three years can apply for Full DAPs, and if the OfS authorises Full DAPs, at the end of the three-year period the provider will be able to apply for an authorisation to grant awards without a time

limit. This is referred to as 'indefinite DAPs'.

In July 2023, the OfS published new operational guidance for universities and colleges to apply for DAPs.¹²⁸ A pause on accepting applications for DAPs was in place from December 2024 and the consequences of this are partly reflected in this data.¹²⁹ These temporary changes will end in August 2025, and the OfS will reopen for new applications and resume paused assessments on a staggered basis.

OM 4A: Number of applications for New DAPs received, resolved and remaining open

*Receipt of new applications and assessment of most existing applications suspended during this period.

OM 4B: Number of applications for Full DAPs received, resolved and remaining open

*Receipt of new applications and assessment of most existing applications suspended during this period.

What does this show?

OM 4 shows that, since October 2018, we have received between zero and six applications for New DAPs or Full DAPs each quarter. At the end of December 2024, we held 15 unresolved New DAPs applications and 14 unresolved Full DAPs applications compared to nine unresolved new applications and nine unresolved Full DAPs applications in December 2023.

Open applications can be at a variety of stages, from the initial eligibility and suitability assessment undertaken by the OfS, to the in-depth assessment against the DAPs criteria undertaken by a team of academic experts.

Before we authorise Full DAPs, a provider is subject to an application scrutiny review which normally extends over 12 to 15 months.

Key performance measures (KPMs)

We publish KPMs which reflected the areas of focus in our 2022-25 strategy.

Find out more about...

Find out more about [key performance measures](#) on our website.



They provide insights into the performance of providers and the sector as a whole, and indicate how our regulation may be affecting behaviours in the higher education sector. Many of these KPMs show data which can be interrogated in multiple ways. Therefore, the results are best viewed on our website.

The KPMs are:

KPM 1: Extent of poor student outcomes (see page 31)

KPM 2: Student outcomes for all registered providers (see page 31)

KPM 3: Assessment and awards (see page 32)

KPM 4: Students' views on aspects of quality (see page 27)

KPM 5: Access to higher education (see pages 38-39)

KPM 6: Success and progression

KPM 7: Degree attainment by ethnicity

KPM 8: Student choice

KPM 9: Value for money

KPM 10: Student protection

KPM 11: Efficient regulation.

Susan Lapworth
Chief Executive and Accounting Officer

7 July 2025

Notes

- 1 Available at [Financial sustainability of higher education providers in England: 2024 - Office for Students, \(May 2024\)](#), and [Financial sustainability of higher education providers in England: November 2024 update - Office for Students \(November 2024\)](#).
- 2 See [OfS announces temporary changes to allow greater focus on financial sustainability - Office for Students](#).
- 3 See [Navigating financial challenges in higher education - Office for Students \(OfS Insight brief #21\)](#).
- 4 Data on student loans for tuition fees is available at [Student support for higher education in England 2024 - GOV.UK](#). The £10.7 billion total excludes maintenance loans paid to individual students of £9.1 billion, and tuition fee loan payments to students domiciled in the EU (which are now counted within course fees from international students). It includes payments to students on higher education courses at further education colleges.
- 5 The figure for research-related income and other public funding sources is derived from providers' annual financial returns (not published). The 'registration-contingent research and other public funding' category includes funding the OfS allocates to higher education providers each year, but for consistency with other figures derived from the OfS annual financial return, the figure excludes OfS funding allocated to further education colleges.
- 6 See [Subcontractual arrangements in higher education - Office for Students \(OfS Insight brief #22\)](#).
- 7 See [Subcontractual partnership student outcomes dashboard: About the dashboard - Office for Students](#).
- 8 See [Regulatory case report for Leeds Trinity University - Office for Students](#).
- 9 See [Applied Business Academy: investigation finds serious concerns - Office for Students](#).
- 10 See [Findings from OfS quality assessments - Office for Students \(OfS Insight brief #23\)](#).
- 11 See [Regulatory advice 20: Regulating student outcomes - Office for Students and KPM 2: Student outcomes for all registered providers - Office for Students](#).
- 12 See [Evaluating our approach - Office for Students](#).
- 13 See [Higher Education \(Freedom of Speech\) Act 2023](#).
- 14 See [Government reaffirms commitment to Free Speech in universities - GOV.UK](#).
- 15 See [Student Academic Experience Survey 2024 - HEPI](#).
- 16 See [Equality of Opportunity Risk Register - Office for Students](#). Student characteristics listed on the EORR that indicate risks to equality of opportunity in higher education are: students from low-income households; ethnicity; religion; first in family; disabled students; mature students; commuter students; service children; LGBT+ students; estranged students; students with parental responsibility; care experienced students and young carers.

17 See [Condition E6: Harassment and sexual misconduct - Office for Students](#).

18 Savanta conducted a short online poll via its Yousight panel. The sample was comprised of prospective, current, and recently graduated students from OfS-registered providers. Fieldwork took place from 12 April to 28 May 2024 and a total of 1,761 respondents answered the questions relating to the student interest.

YouGov hosted two text-based online focus groups with students from different types of OfS-registered providers. The focus groups took place in May (11 students) and June (10 students) 2024 and explored participants' expectations and definitions of a positive student experience. Findings informed the design of a quantitative survey undertaken using YouGov's online panel. The fieldwork was carried out between 17 and 27 May 2024 and the sample included a total of 750 prospective, undergraduate, and postgraduate students.

19 Report available at [Sector perceptions of OfS engagement and communications - Office for Students](#).

20 Respondents were asked the question: 'Over the last 18 months would you say OfS has got much better, somewhat better, stayed the same, somewhat worse or much worse in terms of the way in which it engages with the sector'. Base n = 44. The majority of participants felt that engagement had improved, with the second largest proportion feeling that it had stayed the same. A small number thought it had got slightly worse, but no one felt it had got much worse.

21 See [Consultation on OfS strategy for 2025 to 2030 - Office for Students](#).

22 See [Higher Education and Research Act 2017](#).

23 See [The regulatory framework for higher education in England - Office for Students](#).

24 See [Our board and committees - Office for Students](#).

25 **£10.7 billion through student loans for tuition fees.** Available at [Student support for higher education in England 2024 - GOV.UK](#). The £10.7 billion total excludes maintenance loans paid to individual students of £9.1 billion, and tuition fee loan payments to students domiciled in the EU (which are now counted within course fees from international students). It includes payments to students on higher education courses at further education colleges.

£10.3 billion in course fees from international students. Figure derived from the OfS annual financial return, comprising non-EU and EU student fees. The figure excludes students at further education colleges, although the numbers are not material.

£10.0 billion of registration-contingent research and other public funding. The 'registration-contingent research and other public funding' category includes funding the OfS allocates to higher education providers each year, but for consistency with other figures derived from the OfS annual financial return, the figure excludes OfS funding allocated to further education colleges.

26 See [Consultation on OfS strategy for 2025 to 2030 - Office for Students](#).

27 See [Key performance measures - Office for Students](#).

28 Total OfS registration fees for the 2024-25 financial year end (£31,641,660) divided by total registration-contingent income for 2023-24 (£31,048 million). In the 2023-24 academic year, registration-contingent income received by registered providers in England comprised approximately £10.7 billion through student loans for tuition fees, £10.3 billion in course fees from international students, and £10.0 billion of registration-

contingent research and other public funding.

- 29** The total programme spending in 2024-25 also includes £9.1 million of staff costs (costs of staff working exclusively on programme-related activities), giving a total rounded figure of £1,590 million. The comparative figure for 2023-24 was £1,606 million, as this programme spending included £7 million of staff costs.
- 30** See [Funding for academic year 2024-25 - Office for Students](#).
- 31** £399 million was allocated to be distributed between 100 providers between financial years 2022-23 and 2024-25. We proactively monitor the progress and spending of the funded projects. Further details are available at [Capital funding for financial years 2022-23 to 2024-25 - Office for Students](#).
- 32** See [IFRS - IFRS 15 Revenue from Contracts with Customers](#).
- 33** See [KPM 4: Students' views on aspects of quality - Office for Students](#).
- 34** See [KPM 3: Assessment and awards - Office for Students](#) and [Analysis of degree classifications over time: Changes in graduate attainment from 2010-11 to 2022-23 - Office for Students](#).
- 35** See [Findings from OfS quality assessments - Office for Students](#) (OfS Insight brief #23); and [Assessment reports - Office for Students](#).
- 36** See [Assessment reports - Office for Students](#).
- 37** See [KPM 2: Student outcomes for all registered providers - Office for Students](#).
- 38** See [KPM 1: Extent of poor student outcomes - Office for Students](#).
- 39** See [Evaluating our approach - Office for Students](#).
- 40** Report available at [Evaluation of condition B3 \(student outcomes\): Case studies thematic report - Office for Students](#).
- 41** See [Subcontractual partnership student outcomes dashboard: About the dashboard - Office for Students](#).
- 42** See [Working with providers to promote positive outcomes for students - Office for Students](#).
- 43** See [Assessment reports - Office for Students](#).
- 44** See [Findings from OfS quality assessments - Office for Students](#) (OfS Insight brief #23).
- 45** See [Assessment reports - Office for Students](#).
- 46** Report available at [Analysis of degree classifications over time: Changes in graduate attainment from 2010-11 to 2022-23 - Office for Students](#).
- 47** See [KPM 3: Assessment and awards - Office for Students](#).
- 48** See [Orders made by the OfS - Office for Students](#).
- 49** See [DAPs assessment reports - Office for Students](#).
- 50** See [University title decisions - Office for Students](#).
- 51** See [External quality assurance of apprenticeship end-point assessment for integrated higher and degree apprenticeships - Office for Students](#).
- 52** See [Freedom of Speech: Universities - Hansard - UK Parliament](#).
- 53** See [University of Sussex fined £585,000 for free speech and governance breaches - Office for Students](#).

- 54** See [HE student enrolments based wholly overseas by location and type of provision 2019/20 to 2023/24 - HESA](#).
- 55** See [INQAAHE](#).
- 56** Report available at [Evaluation of the TEF 2023 - Office for Students](#).
- 57** Reports available at [TEF 2023 student contact survey findings - Office for Students](#) and [Applicants' use of TEF information - Office for Students](#).
- 58** Guide available at [Student guide to evidence collection - Office for Students](#).
- 59** Analysis available at [Estimated costs of the TEF 2023 - Office for Students](#).
- 60** 'Funding allocations' available at [Postgraduate conversion courses in data science and artificial intelligence - Office for Students](#).
- 61** See [Funding for degree apprenticeships - Office for Students](#).
- 62** Report and presentation available at [Degree apprenticeship funding competition evaluation: Early findings from Wave 1 - Office for Students](#).
- 63** The data has been filtered to only include students taught or registered at OfS-registered providers, who are counted as an entrant in the base year (2021). The percentages are calculated as the proportion of students who have transferred as a percentage of the total student population. Student numbers are rounded to the nearest 10 and percentages rounded to 1 decimal place.
- 64** This was a survey of 10,000 full-time UK undergraduates by the Higher Education Policy Institute (HePi). Available at [Student Academic Experience Survey 2024 - HEPI](#).
- 65** In this context 'local' means that a student's home address is within a typical commuting distance of their provider, see [Student characteristics data: Population data dashboard - Office for Students](#).
- 66** To track the outcomes for different groups of students, we publish data dashboards based on student characteristics, see [Access and participation data dashboard - Office for Students](#) and [Student characteristics data dashboard - Office for Students](#).
- 67** See [Student characteristics - Office for Students](#).
- 68** These objectives help us to comply with the [Equality Act 2010](#). The Act applies to the OfS and publicly funded higher education providers as employers and providers of public services. The duty to comply with the Act is referred to as the 'public sector equality duty' (PSED). The 'Remuneration and staff report' gives further detail about our delivery of these objectives.
- 69** KPM 5 will be updated in September 2025.
- 70** See [Education statistics service Gov.UK Widening participation in higher education](#). The progression into higher education rate by age 19 decreased for the first time in the series, from 29.2 per cent in 2021-22 to 29.0 per cent in 2022-23. The gap in progression rates between free school meals (FSM) eligible pupils and non-FSM eligible pupils increased to the highest recorded level in the series at 20.8 percentage points - up from 20.2 percentage points in 2021-22. High-tariff higher education providers are those that require the most UCAS points (the points allocated to qualifications and grades) for entry. The progression rate to high tariff higher education providers by age 19 increased to 6.1 per cent in 2022-23, the highest recorded level. The gap in progression rates to high tariff higher education between FSM eligible pupils and non-FSM eligible pupils increased to the

highest recorded level in the series at 10.6 percentage points - up from 9.0 percentage points last year.

- 71** The maximum tuition fee in the 2025-26 academic year for Approved (fee cap) providers with a TEF award and with an APP will increase to: £9,535 for standard full-time courses. £11,440 for full-time accelerated courses. £7,145 for part-time courses.
- 72** See [Equality of Opportunity Risk Register - Office for Students](#). Student characteristics listed on the EORR that indicate risks to equality of opportunity in higher education are: students from low-income households; ethnicity; religion; first in family; disabled students; mature students; commuter students; commuter students; LGBT+ students; estranged students; students with parental responsibility; care experienced students; and young carers.
- 73** See [Equality Act 2010](#).
- 74** OfS decisions document available at [Funding for academic year 2024-25 - Office for Students](#).
- 75** APPs submitted in 2024 are described as 'wave 2' plans, as they follow a small 'pioneer' group of providers that submitted plans which addressed the changes of a new approach in 2023 in 'wave 1'.
- 76** See [Home - Uni Connect](#).
- 77** During the academic year 2023-24, £30 million was allocated to the Uni Connect programme. In the 2024-25 academic year, funding was £20 million.
- 78** Report available at [A review of collaborative support for improving equality of opportunity in access to higher education](#).
- 79** Report available at [A review of collaborative support for improving equality of opportunity in access to higher education](#).
- 80** Document available at [Developing a theory of change for a future national collaborative outreach programme - Office for Students](#).
- 81** See [Equality in higher education fund](#).
- 82** See [About - TASO](#).
- 83** See [Report | Supporting disabled students: Mapping reasonable adjustments and transition support - TASO](#); [Student mental health in 2024: How the situation is changing for LGBTQ+ students - TASO](#); [Economic evaluation - TASO](#).
- 84** See [Higher Education Evaluation Library - Office for Students](#).
- 85** The Office for the Independent Adjudicator (OIA) is the student ombudsman for England and Wales. Its annual report is available at [Annual report for 2024 - OIA](#).
- 86** See [Marking and assessment boycotts: Student insight report - Office for Students](#) and the documents available at [Protecting the interests of students during industrial action - Office for Students](#).
- 87** See [Consumer rights case studies - Office for Students](#).
- 88** Letter available at [Protecting the interests of students during industrial action - Office for Students](#).
- 89** In the 2023-24 academic year we allocated £24,749,647 for student transitions and mental health; £9,268,743 related to the final four months of the academic year. The allocation for the 2024-25 academic year was £14,852,117; £8,795,424 related to the first eight month of the academic year. The addition of funding for two ringfenced programmes (Student minds and university mental health charter developments) make a total figure for the financial year of £18,568,269 (£18,064,167 + £262,500 + £241,602).

- 90** See [Condition E6: Harassment and sexual misconduct - Office for Students](#).
- 91** See [Survey of sexual misconduct - 2023 pilot - Office for Students](#).
- 92** See [Survey of sexual misconduct - Office for Students](#).
- 93** That is a condition that has a substantial, negative impact on a person's ability to carry out day-to-day activities and has lasted, or is expected to last, at least 12 months.
- 94** We updated our guidance to consider the risk to equality of opportunity of mental health. Documents available at [Regulatory advice 6: How to prepare your access and participation plan - effective practice advice - Office for Students](#).
- 95** Documents available at [Recurrent funding for 2024-25 - Office for Students](#).
- 96** See [University Mental Health Charter - Student Minds Hub](#).
- 97** See [Student Space](#).
- 98** See [Higher education mental health implementation taskforce - GOV.UK](#).
- 99** See [Disability in Higher Education Advisory Panel - Office for Students](#).
- 100** The OfS's financial monitoring duty is set out in section 68 of the [Higher Education and Research Act 2017 \(Section 68\)](#).
- 101** Letter and Annex available at [Deadlines and requirements for interim financial return: enclosing F3 Notice - Office for Students](#).
- 102** Validation is where an established higher education provider validates courses that are delivered by a different provider. It enables a provider to deliver higher education when it might not otherwise have the expertise and resources to create new courses itself, or have the powers to award qualifications to students. For example, a further education college seeking to offer courses at higher levels may need a university to validate those courses.
- 103** Condition C4 allows the OfS to require a provider to comply with a Student Protection Direction. This power is used when the OfS reasonably considers there to be a material risk that a provider may fully or substantially cease the provision of higher education in England. Its purpose is to ensure that students are protected as far as possible in these circumstances.
- 104** Report available at [Financial sustainability of higher education providers in England: 2024 - Office for Students](#).
- 105** Report available at [Financial sustainability of higher education providers in England: November 2024 update - Office for Students](#).
- 106** Report available at [Financial sustainability of higher education providers in England 2025 - Office for Students](#).
- 107** The source of the figure is [Financial sustainability of higher education providers in England 2025 - Office for Students](#), p39.
- 108** See [Protecting the interests of students when universities and colleges close - Office for Students](#) (OfS Insight brief #24).
- 109** See [Consultation on reforms to OfS registration requirements - Office for Students](#).
- 110** Consultation documents available at [Franchising in higher education - GOV.UK](#).
- 111** See [Working with providers to promote positive outcomes for students - Office for Students](#).
- 112** The continuation rate is the proportion of entrants who were continuing to study a higher education qualification (or gained a qualification) one year and 15 days after they started their courses.

- 113** See [Investigation into student finance for study at franchised higher education providers - NAO report](#).
- 114** See [Student loans system wide open to fraud with risks to students and taxpayers - Committees - UK Parliament](#).
- 115** See [Subcontractual arrangements in higher education - Office for Students \(OfS Insight brief #22\)](#).
- 116** See [Subcontractual partnership student outcomes dashboard: About the dashboard - Office for Students](#).
- 117** Report available at [Applied Business Academy's provision of the Diploma in Education and Training course - Office for Students](#).
- 118** See [Brit College Limited - Office for Students](#).
- 119** Report available at [Regulatory case report for Leeds Trinity University - Office for Students](#).
- 120** See [Task Force on Climate-related Financial Disclosure \(TCFD\) -aligned disclosure application guidance - GOV.UK](#).
- 121** Guidance available at [Sustainability Reporting Guidance 2024-25 - GOV.UK](#).
- 122** For more on the DfE group and DfE sustainability targets, see report available at [Department for Education consolidated annual report and accounts 2023 to 2024 - GOV.UK](#).
- 123** Tables A1.1 and A1.2 are available in Annex A at [Task Force on Climate-related Financial Disclosure \(TCFD\) - aligned disclosure application guidance - GOV.UK](#).
- 124** Orange Book is available at [Orange Book - GOV.UK](#).
- 125** Guidance available at [Sustainability Reporting Guidance 2024-25 - GOV.UK](#).
- 126** Available at [Greenhouse gas reporting: conversion factors 2024 - GOV.UK](#).
- 127** See [Our Fuel Mix | EDF](#).
- 128** Documents available at [Regulatory advice 12: How to apply for degree awarding powers - Office for Students](#).
- 129** See [OfS announces temporary changes to allow greater focus on financial sustainability - Office for Students](#).

Accountability report

Corporate governance report

This report covers the operating period from 1 April 2024 to 31 March 2025, 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

During the year there was a change in the chair of the OfS. James Wharton (Lord Wharton of Yarm) served until 9 July 2024. Sir David Behan was appointed as interim chair on 26 July 2024. The chief executive was Susan Lapworth. The directors of the OfS in this context comprise the chief executive, Director for Fair Access and Participation, Director for Freedom of Speech and Academic Freedom and the non-executive board members.



Executive members who served during the year:

Susan Lapworth, Chief Executive

Arif Ahmed, Director for Freedom of Speech and Academic Freedom

John Blake, Director for Fair Access and Participation



Non-executive board members who served during the year:

Martin Coleman (deputy chair of the board and chair of the Provider Risk Committee)

Elizabeth Fagan

Katja Hall (chair of the Risk and Audit Committee)

Verity Hancock

Rachel Houchen (until 31 March 2025; chair of the Remuneration and Nominations Committee)

Simon Levine (chair of the Quality Assessment Committee)

Dr Dayo Olukoshi (until 31 March 2025)

Michael Spence

Caleb Stevens (chair of the Student Panel)

Biographies of current board members are available on our website.¹

Conflicts of interest

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 OfS's role as a regulator of higher education providers. Guidance is set out in a policy on managing conflicts of interest.² Registers of interests of board and committee members and directors are maintained and published on our website.³

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

Personal data incidents

No data breaches were reported to the Information Commissioner's Office during the operating year.

Other disclosures

Some disclosures required within the Directors' report are included elsewhere, such as in the Remuneration and staff report.

Statement of Accounting Officer's responsibilities

Under the Higher Education and Research Act 2017, Schedule 1, paragraph 13, the Secretary of State for Education's Accounts Direction has directed the Office for Students to prepare for each financial year accounts detailing the resources acquired, held or disposed of during the year and the use of resources by the department during the year.⁴ The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Office for Students and of its income and expenditure, Statement of Financial Position and cash flows for the financial year.

As the OfS's Accounting Officer, in preparing the accounts, I am required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- observe the Accounts Direction issued by the Secretary of State for Education, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements 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 financial statements
- prepare the financial statements on a going concern basis
- confirm that the Annual report and accounts as a whole are fair, balanced and understandable and take personal responsibility for the Annual report and accounts and the judgements required for determining that it is fair, balanced and understandable.

The Permanent Secretary of the Department for Education has appointed me, Susan Lapworth, as Accounting Officer of the Office for Students. 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 Office for Students' assets, are set out in Managing Public Money published by the HM Treasury.

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 Office for Students' auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

I confirm that the Annual report and accounts as a whole are fair, balanced and understandable, and that I take personal responsibility for the Annual report and accounts and the judgements required for determining that they are fair, balanced and understandable.

Governance statement

This section describes the governance and risk and control arrangements in place during financial year 2024-25, and to the date of the approval of the Annual report and accounts.

The OfS was established by the Higher Education and Research Act 2017 and most of our activities relate to the functions set out in that legislation.⁵ The OfS is a non-departmental public body under the sponsorship of the DfE. The DfE and the OfS have agreed a framework document, which sets out the broad governance framework within which the OfS and the department operate.⁶ It sets out the OfS's core responsibilities; describes the governance and accountability framework that applies between the roles of the OfS and the department; and sets out how the day-to-day relationship works in practice, including in relation to governance and financial matters. The document does not impose any legal powers or duties on the OfS.

Our governance structure is designed to deliver 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 adaptation in response to changes in the external and internal environment.

Governance arrangements

The OfS board

The OfS board comprises the chair, chief executive, the Director for Fair Access and Participation and the Director for Freedom of Speech and Academic Freedom – and at least seven and no more than 12 ordinary members, all of whom are appointed by the Secretary of State for Education. Members have a wide range of backgrounds, skills and expertise, and the board must include at least one member who has experience of representing or promoting the interests of higher education students – this board member has chaired the Student Panel. Standards and arrangements through which the board conducts its business are set out in our 'Board proceedings and code of conduct'.⁷ 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).

There are four main committees of the board, which comprise a mix of board members and independent members. Committee members' biographies are available on our website.⁸

The scheme of delegation allows for the establishment of other committees of the board to perform functions of the OfS.⁹

Student Panel

The Student Panel provided insight to the OfS board and the organisation more widely about the themes and issues that matter most to students. At the end of the financial year, we were finalising recruitment to a new Student Interest Board to replace and extend the work of the Student Panel.

Governance framework and roles

General duties and requirements

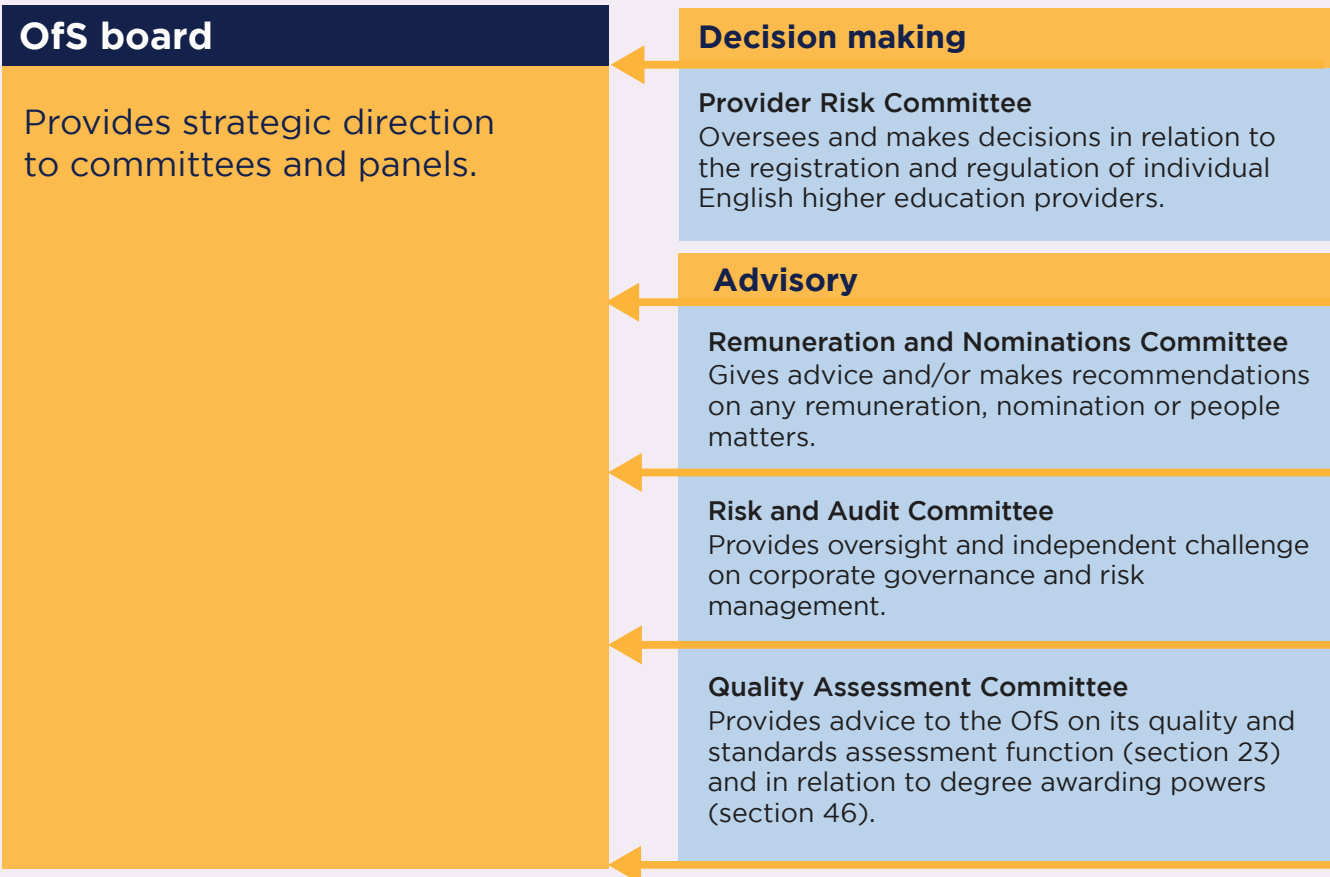
The Higher Education and Research Act 2017 (HERA) sets out the OfS's general duties and obligation to have regard to certain matters in the performance of its functions.

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.¹⁰

In performing our functions we are required to have regard to the general duties set out in section 2 of HERA, and to any guidance issued by the Secretary of State on the basis of section 2(3) of HERA.¹¹

In line with the recommendation of the OfS Public Bodies Review, we finalised the scope for an independent board effectiveness review to commence in the coming months. External review was not scheduled for the 2024-25 financial year as the timing was suboptimal due to anticipated changes in board membership. Board members were



consulted about the board's effectiveness. They were clear about the board's role and objectives and considered that they are provided with the information necessary to carry out their responsibilities effectively, including making complex judgements on organisational strategy and performance.

The Regulators' Code, the Growth duty and Better Regulation Framework

Having regard to the Regulators' Code is a statutory obligation for national regulators in the Legislative and Regulatory Reform Act 2006.¹² We are required to have regard to the code when developing policies (including operational procedures), principles, guidance and setting standards.

Our regulatory approach is designed to be predominantly principles-based, taking account of the complexity and diversity 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: we regulate universities and colleges on the basis of the regulatory risks they pose, not on the basis of size, type of organisation or the length of time they have been providing higher education (although we consider those factors where they are relevant to an assessment of risk). In this context, 'regulatory risk' means the risk of the university or college breaching one or more of its conditions of registration. We assess both the likelihood of something happening and the severity of the impact (on students in particular) if it does happen.

The OfS falls within the scope of the Growth duty.¹³ This is a statutory requirement for organisations exercising non-economic regulatory functions to have regard to the desirability of growth as part of regulatory decision-making and purpose. We also take account of the guidance in the Better Regulation Framework. As noted above, when performing our functions, we must have regard to our general duties.¹⁴ Particularly relevant general duties to the

Growth duty are those relating to institutional autonomy, encouraging competition, promoting equality of opportunity, promoting value for money, using our resources efficiently and best regulatory practice.

The relationship between OfS regulation and the contribution of graduates to economic growth

The OfS's regulatory focus on high quality education supports the acquisition of economically and socially valuable skills. Our regulation ensures that institutions meet a set of minimum requirements while also incentivising excellence beyond this, driving up teaching quality and supporting a better education workforce. We allocate funding to high-cost courses, supporting the science, technology, engineering and mathematics (STEM) disciplines, as well as new vocational pathways such as degree apprenticeships. We also fund programmes to close skills gaps in areas critical to growth such as data science and AI. Our regulatory focus on equality of opportunity supports growth by realising the potential of individuals.

Producer of Official Statistics

As a producer of Official Statistics, we aim to comply with the Code of Practice for statistics.¹⁵ The code sets out a framework to ensure that statistics are trustworthy, of high quality and of public value. We look to apply the principles of the code to all the statistics that we produce, whether they are Official Statistics or not.

We made no notifications to the UK Statistics Authority during this financial year.

Prevent duty

Under counter terrorism legislation, relevant higher education bodies have a statutory duty to give due regard to the need to prevent people from being drawn into terrorism. The OfS is delegated as the monitoring authority to assess compliance. We require providers to report to us on their

Prevent-related activities, including their approach to external speakers and events, and staff training.

We published sector level findings of the 2022-23 Accountability and Data return in June 2024.¹⁶

Risk management systems and responsibilities

The main areas of strategic risk we faced in this financial year are set out in the Performance report (see the 'About us' section of the 'Performance report'). Strategic risks are defined as risks aligned directly to the organisation's regulatory objectives and aims as set out in the strategy. These are broad areas of longer-term risk and require management by the ExCo, scrutiny by RAC, and oversight from the OfS board due to their potential impact and cross-cutting nature.

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. They provide assurance to the OfS board, RAC and ExCo that the risks to achieving our objectives are effectively identified and managed, and that associated roles and responsibilities are understood. The annual review of the OfS's risk management systems, carried out in December 2024 by the Head of Internal Audit, concluded that the OfS's risk management processes continue to operate effectively with evidence of continuous improvements and ongoing refinements to the system. The review gave significant assurance that there are good controls for considering corporate-level risks alongside delivery, updating mitigating actions, and governance and reporting structures throughout the OfS. Recommendations included improving internal communication of risk appetite and cross-directorate risks.

As part of the annual review of risks, at its July 2024 meeting, the board agreed a

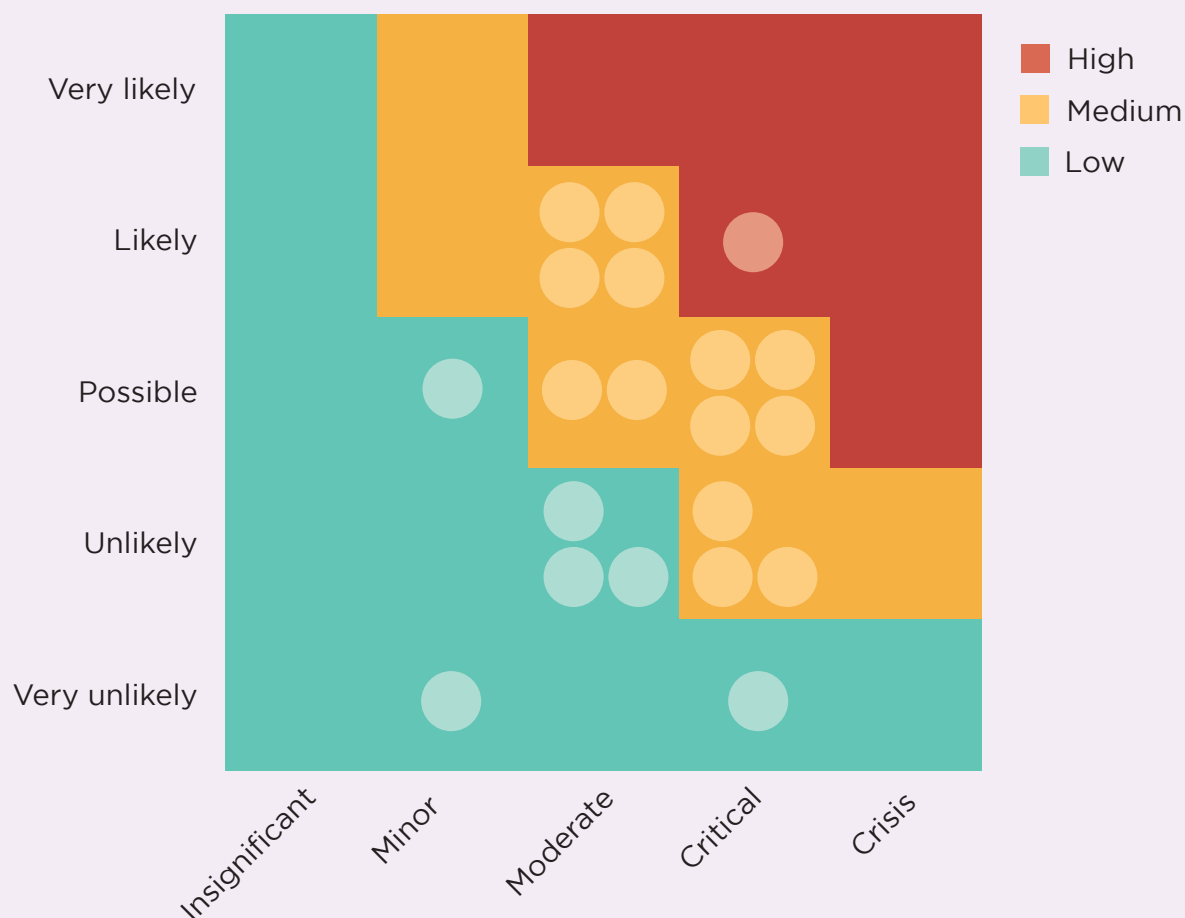
revised set of strategic risks, and its risk tolerance and appetite levels. At its October 2024 meeting, the board asked the executive to reflect on the longstanding red strategic risks, with a view to considering whether any had materialised and should be removed from the register and overseen by the board and RAC as 'issues'. Changes were incorporated into the risk register in February 2025.

Our risk management policy ensures consistency in our approach to risk. We undertook our annual internal review of our risk management systems in December 2024. The review gave assurance that there are good controls for considering corporate-level risks alongside delivery, updating mitigating actions, and governance and reporting structures throughout the OfS. Recommendations included improving communication of risk appetite and cross-directorate risks.

- There are regular discussions of the most significant risks at ExCo, with its RAP regularly reviewing all strategic risks, as well as at RAC and board meetings. These discussions drive mitigating actions to reduce the level of risk in line with the risk appetite.
- We operate continuous improvement and capability building, to embed risk management concepts into everyday business and to develop maturity in our risk management culture. Our use of a risk management application ensures transparency and consistency in the management of risks. Staff are offered training and support to develop capability and skills in working with our risk management system.

Risks are assessed according to a matrix of impact and likelihood, on a five-point scale. Of our strategic risks, in March 2025, three were classified as high, eight were medium, and one was low.

Heat map of the OfS's corporate risks as of 31 March 2025



Risk heat map

The chart above shows our corporate risks (represented by circles) and whether each is categorised as high, medium, or low.

The chart above shows how our 20 corporate risks were distributed in March 2025. Corporate risks are defined as presenting a risk to the delivery of the OfS business plan, legal duties and/or regulatory objectives. They are likely to be cross-cutting in nature, and some of them will be very significant. An example of a corporate risk would be a threat, from any source, to the delivery of objectives outlined in the organisation's business plan or threats to the reputation of the OfS. Our risk management response, and the levels of governance, control and mitigation we put in place, reflect the severity of the assessed risk.

Corporate risks by rating

The proportion of risks differs to that reported last year following review and consolidation of corporate and operational risks, removing overlap with strategic risks and bringing similar risks together.

Internal controls

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.

ExCo has the remit to direct OfS business where board-level decisions are not required. Its responsibilities are to decide OfS policy and associated strategy, where this could not more appropriately be done

by an individual member of ExCo or at a lower level in the organisation, to allocate cross-business resources and to oversee and assess progress towards agreed objectives in the OfS strategy and business plan, including management of associated risks.

The ExCo consists of the chief executive and the other directors. It has subcommittees for Regulation, Strategy, and Risk and Performance.

The business plan and objectives are delivered through an organisational structure aligned to three executive directorates, although much of our work involves teams from across the organisation. The 'About us' section of the 'Performance report' includes an organisational chart.

Internal audit

The board is assured of the OfS's data quality and assurance processes through the internal audit programme. The OfS's internal auditors for 2024-25 were KPMG LLP.

Reviewing internal controls

There are internal controls in place to safeguard, channel and record resources. Our RAC performs an effective challenge role on internal controls. The internal audit programme intentionally covers areas where it is perceived that there may be opportunities for improvement.

Mechanisms are in place for scrutiny of whether the OfS is using its resources efficiently, economically and effectively, including oversight of corporate finance and financial reporting, and review of progress against the business plan. We have regard to the relevant functional standards as appropriate, including those concerning finance, commercial and counter fraud.

Regularity of expenditure

As Accounting Officer, the chief executive seeks assurances from members of the executive team about the OfS's compliance

with the standards set out in Managing Public Money and specific requirements.

In line with Managing Public Money, the Accounting Officer observes delegated limits as set out in the Accounting Officer's delegation letter. Decision-making is undertaken on the basis set out in the scheme of delegation. Some matters are reserved to the board or to other individuals and committees, including the chief executive.

We respect agreed budgets and avoid unaffordable longer-term commitments. The OfS procurement process mandates that any contract over one year be signed off by the delegated budget-holder or director, and that any contract of over two years in length be signed off by the Director of Resources and Finance.

To ensure value for money in our procurement, projects and processes, we have an annual programme of assurance activity on the regularity (and propriety and value for money) principles in relation to funding disbursed by the OfS. This is conducted in accordance with our funding assurance framework, which is reviewed by the NAO. The primary direct funding assurance is received for each provider through the report of its external auditor within its financial statements in relation to the use of funding. In addition to this overarching assurance, the mechanisms for monitoring compliance with terms and conditions of individual funding grants are included within our funding assurance framework.

We receive assurance from the DfE for OfS funding that is disbursed to further education colleges, and the OfS provides similar assurance to the DfE in relation to funds formerly disbursed by the Education and Skills Funding Agency (ESFA) to institutions for which the OfS is the primary regulator. We also provide assurance to UKRI.

We learn from experience in relation to ensuring regularity of expenditure, and our Delivery team supports post-project review of lessons learnt. Our RAC receives relevant insights from across the NAO's work at each quarterly meeting.

Strategic and business planning

We consulted in December 2024 to February 2025 on our strategy for 2025 to 2030, and intend to finalise it in the autumn of 2025. The RAP subcommittee of ExCo reviews progress against business plan activities monthly, and strategic risks ahead of each RAC meeting. Additionally, each quarter, it holds an in-depth quarterly review which enables joined-up discussions about the organisational dashboard; activity-level progress within the business plan; strategic risks; technology and digital issues; staff resource; communications and engagement; and financial position. ExCo receives a report of key themes that arise from the quarterly review meetings to inform decisions, and the risk register is updated as appropriate. Every six months the business plan review is supplemented by an assessment of progress towards our strategic goals, including consideration of KPMs.

The Delivery team supports coordination of activity and resourcing across the organisation. This in turn supports oversight of OfS activity by the executive, and effective planning and delivery. This includes testing the business plan thoroughly to guard against overcommitment, and supporting in-year adjustments to accommodate changes. Project and resource managers are embedded within high priority projects.

We have continued to experience resource challenges which have been exacerbated by the growing financial challenges in the sector. In response to this, in December 2024 we reprioritised and paused some core regulatory work.¹⁷ The 'Chief executive's statement' discusses this in more detail.

Financial management, systems and control

The Director of Resources and Finance reviews the management accounts on a monthly basis, and finance reports are presented to the board. RAC 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, ensuring that transactions cannot be processed without appropriate authorisation.

The internal audit of budget management returned a finding of significant assurance.

RAC considered value for money assurance at its meeting in June 2024, 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 2024-25.

Prompt payment

The OfS is committed to paying suppliers promptly. We aim to pay all valid invoices within 30 days of receipt. The Government target is that 95 per cent of invoices are paid within 30 days. To balance the desire to pay creditors promptly against the need to maintain effective controls, we monitor our performance against five, ten and 30 day measures.¹⁸

Analysis of invoices paid against targets

	2024-25	2023-24 restated
5 days	70.00%	84.90%
10 days	92.20%	92.20%
30 days	98.30%	98.80%

At 31 March 2025, the amount owing to our suppliers was £0.2 million (2023-24: £0.1 million).

Counter fraud

The counter fraud oversight group meets quarterly to monitor risks and actions in respect of fraud, including monitoring compliance with the Public Sector Fraud Authority functional standards and continuous improvement framework.

Cyber and information security

We are committed to good cyber security practices, seeking to achieve a balanced level of security that ensures legal compliance, minimises risk, and enables staff to do their work securely and effectively, underpinned by strong organisational and technical controls.

Policies and procedures are in place which guide the organisation's activities, and ongoing training and awareness programmes ensure that staff are aware of cyber security risks. A 24-7-365 managed Security Operations Centre enhances the IT security team, identifying threats and working with the in-house team. The operational security report monitors key performance indicators, providing insight into the ongoing operational status of cyber security.

Cyber assurance is provided by regular organisation-wide penetration testing, Cyber Essentials Plus accreditation, Microsoft Secure Scores for cloud services, application penetration testing for new services, audits from KPMG and oversight by our RAP sub-committee. These combine to provide confidence that the organisational and technical controls in place are effective at mitigating the cyber threats we face.

Information security policies and procedures apply to OfS staff and contractors and provide a level of mitigation against information security risks. There is ongoing engagement to alert staff to how the General Data Protection Regulation affects them personally and professionally, and how compliance will help to reduce likelihood of a data breach.

The Chief Technology Officer produces a dashboard and attends each RAC meeting to provide assurance on the effectiveness of the OfS's cyber security arrangements and the ongoing work intended to mitigate existing and future cyber risks. RAC members undertook cyber security training in October 2024.

Annual mandatory cyber awareness training is in place for all staff, as well as routine phishing simulations.

Whistleblowing

Our whistleblowing policy and guidance is regularly reviewed. The policy provides routes for staff, board, committee and panel members, and academic assessors to make disclosures. During the financial year no concerns were raised under the policy.

Health and safety

Our Health, Safety and Environment committee meets quarterly. In this financial year no incidents were reported to the Health and Safety Executive under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations.

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. 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.

Working with other bodies

Designated data body

HERA makes provision for the OfS to work with a designated data body to perform the

information duties in sections 64 and 65 of HERA.¹⁹ This body is Jisc.

Data Futures

The OfS inherited from predecessor bodies a commitment to fund Data Futures, a complex sector-wide transformation programme now led by Jisc.²⁰ The OfS board and RAC pay close attention to the progress of the programme and its governance oversight. In September 2024 an oversight group was established to closely monitor the delivery of the 2023-24 student data collection. An independent review identified the main issues that affected timely delivery of high quality data, and the lessons that should be learnt.²¹ The review also provided recommendations in relation to the next phase of Data Futures, including actions to provide sufficient confidence in the secure delivery of in-year data collection.

Student Loans Company

We work closely with the **Student Loans Company** (SLC) to consider and address gaps in the overall funding assurance framework for SLC funding.

UK Research and Innovation

Consistent with the principles of better regulation whereby public bodies rely on each other's systems of oversight and assurance, **UK Research and Innovation** (UKRI) relies on the OfS's regulation of English higher education providers receiving research funding, and on the judgements and decisions the OfS makes. This does not extend to assurances about compliance with the specific terms of conditions for UKRI's grant.

The OfS Accounting Officer wrote to the UKRI Accounting Officer 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 providers' arrangements for financial sustainability, risk management, internal control, governance, and value for money.

Education and Skills Funding Agency

About 150 further education colleges and sixth form colleges provide higher education courses and are registered with the OfS. Where a higher education provider is a further education college or sixth form college under the regulation of the **Education and Skills Funding Agency** (ESFA), the provider submits data (including financial information) to the ESFA rather than to the OfS. HERA makes provision for the OfS to cooperate with and share information with the ESFA, so that the OfS may understand the financial sustainability of these providers.²² There is an annual exchange of letters in relation to assurance that public money is being used for the purposes intended. On 31 March 2025 the functions of the ESFA were integrated into the core DfE.

The OfS as principal regulator of exempt charities

Under the Charities Act 2011, the OfS is the principal regulator of the exempt charities that are higher education providers.²³ This includes connected charities of those exempt charities.

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 the **Charity Commission of England and Wales (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.

Other collaborations

We 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 worked with the **Department of Health and Social Care, NHS England** and **DfE** on the admission of students to medicine and dentistry courses.

Public engagement with the OfS

Notifications

The OfS operates a process intended for students, staff and other people who wish to tell us about a matter that may be of regulatory interest (see the 'Operational measures for core regulatory activity' section of the report).

Complaints

There is a formal process for complaints about the OfS in relation to the service we provide and the behaviour of our staff. The majority of contacts received to our complaints email address were treated as notifications rather than complaints about the OfS. Four complaints to the complaints email address were considered to come within the scope of the complaints policy this year, and one complaint was partially upheld. This related to the timeliness of communication.

Information rights

The volume of Freedom of Information (FOI) requests has increased. In the 2024-25 financial year we received 121 requests compared with 111 in 2023-24. Requests related to regulatory investigations and enforcement activity, staffing and HR transparency, financial procurement and sustainability, equality and student data, and freedom of speech. We responded to 98 per cent within 20 working days, compared to our responses in 2023-24 to 93.75 per cent within 20 working days.

During this year there were six internal appeals relating mainly to regulatory information, and data and analysis information (compared to eight in 2023-24). For most cases, internal reviews upheld the original decision, and a minority concluded that there was no information to disclose.

During this year there were two appeals to the Information Commissioner's Office under the Freedom of Information Act. The ICO upheld our position and found in our favour in both cases.

This year we received 19 subject access requests (SARs), compared to 17 SARs in 2023-24. Of the 2024-25 SARs, about a quarter were not processed because the requester did not provide the information needed to validate their identity. 100 per cent of the completed 2024-25 SARs were processed within the statutory timeframe compared to 86.5 per cent in 2023-24. 32 information rights requests, relating to the NSS, were also processed by Ipsos UK.

Opinion of the Head of Internal Audit

The work of the OfS's internal auditors, KPMG LLP, included audits and reviews of Stakeholder management, Provider fees, Recruitment, retention and strategic workforce planning, Finance (budget management), Risk management, Cyber security, the Financial assessment of providers and a review of Funding controls.

A total of 43 management actions were raised relating to reports commissioned during this financial year, of which none were high priority, 26 medium priority and 17 low priority. The OfS implemented 29 actions raised in year and has taken action to implement actions for 25 historic findings. Actions relating to three high priority findings from the prior year Data Transformation Programme review were closed during the year as they were superseded by changes made to the approach to the programme. The closure of these actions was agreed with the Risk and Audit Committee. No actions were overdue at year end.

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:

- An assessment of a range of individual assurances arising from contemporary core reviews of financial systems, governance, risk management and data quality.
- 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.
- An assessment of the implementation status of prior year actions raised from internal audit assignments. This assessment has taken account of the severity and nature of actions raised.
- The assurance framework reflects the OfS's key objectives and risks and is regularly reviewed.

The overall opinion for the period 1 April 2024 to 31 March 2025 is that 'significant assurance with minor improvement opportunities can be given on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.'

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 RAC can provide the OfS 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 chief executive's governance statement.

Accounting Officer conclusion

I have relied on the oversight of the OfS's systems of corporate governance, risk management and internal control carried out by the OfS RAC as described in its annual report, to review this Annual report and accounts, and took account of the 2024-25 management report from the OfS's external auditors.

I have considered the accounts and evidence provided in the production of this 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 conclude 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.

Remuneration and staff report

Part one (not subject to audit)

Remuneration and Nominations Committee (RNC)

The RNC is one of the OfS's committees. Members of the committee for 2024-25 were:

- **Rachel Houchen**, committee chair, OfS board member (term ended 31 March 2025)
- **Lord Wharton of Yarm**, OfS chair (term ended 9 July 2024)
- **Sir David Behan**, interim OfS chair (term commenced 26 July 2024)
- **Caleb Stevens**, OfS board member
- **San Johal**, independent member.

Apart from reserved matters (which are dealt with separately in the scheme of delegation), the RNC has non-exclusive authority to give advice and make recommendations to the OfS on any remuneration and nominations matters without any limitation whatsoever.²⁴

Remuneration arrangements

The initial salaries of the chief executive, the Director for Fair Access and Participation (DFAP) and the Director for Freedom of Speech and Academic Freedom (DFSAF) are determined by the Secretary of State for Education. The RNC provides advice on any future changes to salaries. If applicable, the level of non-consolidated performance pay (up to a maximum of £20,000 per annum for the chief executive) 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 directors similarly aims to enable the OfS to recruit, retain and motivate highly talented people to lead on specific areas in the OfS's strategy, and to work together to lead the organisation. The RNC considers proposals for remuneration of the directors made by the chief executive, who makes decisions about any changes to pay for the following year.

Contracts

The lengths of the appointments for the chief executive, the DFAP and the DFSAF are determined by the Secretary of State for Education.

Susan Lapworth was appointed as chief executive on 1 September 2022 (having been appointed as interim chief executive from 1 May 2022) until August 2026. There is an option to extend her appointment to a total of ten years. Her appointment stipulates a minimum of a six-month notice period.

John Blake was appointed as DFAP from 1 January 2022 for a four-year term. There is an option to extend his appointment to a total of ten years. His appointment stipulates a minimum of a six-month notice period.

Arif Ahmed was appointed as DFSAF from 14 August 2023 for a six-year term. There is an option to extend his appointment to a total of ten years. His appointment stipulates a minimum of a six-month notice period.

Appointment 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, the DFSAF 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 2025, the OfS employed 475 full-time equivalent staff (2023-24: 434); of the 503 headcount (2023-24: 491), 328 were female and 175 were male (2023-24: 317 were female and 174 were male). Of the nine board members listed in the Remuneration report in post during the year (excluding the chief executive, the DFAP, the DFSAF and the chair), five were men and four were women. Of the ten senior employees listed in the Remuneration report, seven were men and three were women.

The OfS continues to monitor sickness absence as an indicator of staff wellbeing. Our sickness absence remains close to the average for public sector bodies. In 2024-25 the OfS lost 3,435 (2023-24: 3,076) working days to sickness, an average of 6.9 (2023-24: 6.7) days per person. This compares with an average 6.1 days for government public service bodies and 3.9 days for private sector services.²⁵ The total additional accrued pension liabilities in the year amounted to nil (2023-24: £0).

Annual staff turnover for 2024-25 was 9.0 per cent (2023-24: 11.9 per cent).

As of 31 March 2025 there were no off-payroll engagements or expenditure on consultancy (2023-24: nil).

People and equality matters

The OfS is committed to promoting equality of opportunity in employment. Our equality objectives 2023-27 address both sector-focused and internal objectives.²⁶ Two of these objectives relate to our regulatory work and progress is reported in 'The wider student interest' section of this report and summarised here. Progress towards our staff-related objective 3 is set out below.

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 for applicants.²⁷ Our reasonable adjustments policy states that no applicant or employee should be 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 employee's employment to ensure appropriate and effective reasonable adjustments are put in place. Any requests or matters raised are treated positively and sensitively and no detriment, harassment or unfavourable treatment will result from 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 because of 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.

More information can be found on our website, including staff equality data.²⁸

Delivery against our equality objectives in financial year 2024-25

Objective 1:



We will seek to promote equality in relation to access, success, progression, and outcomes for students with relevant protected characteristics.

We completed the assessment of 182 access and participation plans for 2025-26. These plans aim to improve equality of opportunity for disadvantaged student groups.

An evaluation identified that 388,055 students participated in the Uni Connect programme in the 2022-23 academic year, including disabled learners, learners from minority ethnic groups, adult learners, and refugees.

Our funding supported the Centre for Transforming Access and Student Outcomes (TASO), which published research on mental health outcomes for particular groups of students. Our funding also supported the creation of the Higher Education Evaluation Library.

We commissioned an external evaluation to assess the early impact of the Teaching Excellence Framework on student experiences and outcomes, including for students with particular protected characteristics.

Objective 2:



We will seek to promote equality in relation to the higher education experience of students with relevant protected characteristics.

We strengthened regulatory requirements for preventing and addressing harassment and sexual misconduct by introducing a new condition of registration (E6) in July 2024.

We published the outcomes from our 2023 pilot prevalence survey on sexual misconduct. Findings revealed that some student groups are more likely to be affected than others, including female students, disabled students, students who are bisexual or gay/lesbian and those under 21.

We launched a sector-wide survey of sexual misconduct in January 2025, to learn more about students' experiences at a national level.

We provided funding of over £18.6 million to support student mental health in the 2024-25 financial year.

Objective 3:



We will seek to be an inclusive workplace that attracts a diverse range of candidates, creating an environment in which colleagues are treated with respect and where we recognise the importance of impartiality in our work.

We continued to offer diverse pathways into employment with the OfS, including our leadership development programme, placements for data analyst sandwich students, apprenticeships and internships.

We reviewed policies and guidance in line with changes to legislation including:

- a new carers' policy to clarify new entitlements from the Carers' Leave Act 2023
- an updated flexible working policy in line with Employment Relations (Flexible Working) Act 2023
- amended maternity and paternity policies to include new provisions from the Paternity Leave (Amendment) Regulations 2024 and Protection from Redundancy (Pregnancy and Family Leave) Act 2023, with accompanying guidance for managers
- our bullying and harassment policy in line with the Worker Protection (Amendment of Equality Act 2010) Act 2023.

The OfS is a disability confident employer.

We improved our use of workforce data by designing a workforce dashboard for directors, which includes staffing numbers and working pattern by sex.

We designed and launched new equality and impartiality training for all staff to help them understand:

- the Equality Act 2010 and protected characteristics, the Public Sector Equality Duty and how we meet it
 - what bullying and harassment are, how to report them and how to find support
 - how we work in an impartial way, and how we can encourage diversity of thought to create a fair and considerate environment for everyone.
-

Our staff engagement score on the annual people survey is 56 per cent, which is an increase of one percentage point this year. This score is made up of positive responses to questions regarding employees' pride and sense of belonging in working at the OfS.

Trade union facilities time

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 2024-25 there were 10 (2023-24: 12) employees who were union officials (full-time equivalent of 10 (2023-24: 11.1)). These employees spent between 0.4 and 4.3 (2023-24: 0.2 and 3.5) per cent of their working hours on facility time. The total cost of this facility time was £6,519 (2023-24: £4,980), which represents 0.02 (2023-24: 0.02) per cent of the total staff costs of £36 million (2023-24: £31.8 million). The facility time was all spent on paid trade union activities.

Part two (audited)

The OfS chair

Remuneration of the chair is decided by the DfE. The OfS chair receives a salary but does not participate in the organisation's pension scheme. The total remuneration for the OfS chair, **Lord Wharton of Yarm**, for the year ended 31 March 2025, was £26,010²⁹ for two days per week (2023-24: £59,000).

The total remuneration for the interim OfS chair, **Sir David Behan**, for the year ended 31 March 2025, was £20,142 for one day per week.³⁰

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. Members have the option to be paid on a monthly or annual basis. The total board members' remuneration is shown in the following table.

Remuneration of OfS board members

	Year ending 31 March 2025	Year ending 31 March 2024
Martin Coleman	9,180	9,180
Elizabeth Fagan CBE	9,180	9,180
Katja Hall	9,180	9,180
Verity Hancock	9,180	9,180
Rachel Houchen (Term ended 31 March 2025)	9,180	9,180
Kate Lander (Term ended 31 July 2023)	0	3,060
Simon Levine	9,180	9,180
Sir Martyn Oliver (Term ended 31 December 2023)	0	6,885
Dayo Olukoshi OBE (Term ended 31 March 2025)	9,180	9,180
David Palfreyman OBE (Term ended 31 March 2023)	0	6,885
Michael Spence	9,180	9,180
Caleb Stevens	9,180	9,180
Total	£82,620	£99,450

Public Service Pensions Remedy

Accrued pension benefits included in this table for any individual affected by the Public Service Pensions Remedy have been calculated based on their inclusion in the legacy scheme for the period between 1 April 2015 and 31 March 2022, following the McCloud judgement. The Public Service Pensions Remedy applies to individuals who were members, or eligible to be members, of a public service pension scheme on 31 March 2012 and were members of a public service pension scheme between 1 April 2015 and 31 March 2022. The basis for the calculation reflects the legal position that impacted members have been rolled back into the relevant legacy scheme for the remedy period and that this will apply unless the member actively exercises their entitlement on retirement to decide instead to receive benefits calculated under the terms of the Alpha scheme for the period from 1 April

2015 to 31 March 2022. Accrued pension benefits for the senior employees are now included in these tables for 2023-24. They were not included in the 2023-24 accounts due to an exceptional delay in the calculation of these figures following the application of the public service pension remedy. With the figures included the combined value of the salary, bonus and pension benefit is now higher than reported in the 2023-24 accounts.³¹

The OfS chief executive

The chief executive's salary and non-consolidated performance bonus are determined by the OfS board after considering advice from the Remuneration and Nominations Committee. The chief executive received no benefits in kind in 2024-25. The total emoluments for the OfS chief executive are shown in the following table.

Remuneration of chief executive

	Salary paid (£000) ^a		Bonus (£000) ^b		Pension benefit (nearest £000)		Total (£000) ^a	
	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24 (restated) ^c	2024-25	2023-24 (restated) ^c
Susan Lapworth	175-180	165-170	15-20	15-20	0	12	195-200	190-195

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

b. Bonus in 2024-25 is non-consolidated pay in recognition of performance in 2023-24.

c. See Public Service Pensions Remedy.

The Director for Fair Access and Participation

The DFAP's salary and non-consolidated performance bonus are determined by the chief executive after considering advice from the Remuneration and Nominations Committee. The DFAP received no benefits in kind in 2024-25. The total emoluments for the DFAP are shown in the following table.

The Director for Freedom of Speech and Academic Freedom

The DFSAF's salary and non-consolidated performance bonus are determined by the chief executive after considering advice from the Remuneration and Nominations Committee. The DFSAF received no benefits in kind in 2024-25. The total emoluments for the DFSAF are shown in the following table.

Remuneration of the Director for Fair Access and Participation

	Salary paid (£000) ^a		Bonus (£000) ^b		Pension benefit (nearest £000)		Total (£000) ^a	
	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24 (restated) ^c	2024-25	2023-24 (restated) ^c
John Blake	135-140	130-135	0-5	5-10	56	53	195-200	200-205

- a. Annual pay settlements are awarded from 1 August each year.
- b. Bonus in 2024-25 was non-consolidated pay in recognition of performance in 2023-24. Non-consolidated performance pay is calculated as a cash lump sum. Non-consolidated performance pay is not pensionable.
- c. See Public Service Pensions Remedy.

Remuneration of the Director for Freedom of Speech and Academic Freedom

	Salary paid (£000) ^a		Bonus (£000) ^c		Pension benefit (nearest £000)		Total (£000) ^a	
	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24 (restated) ^d	2024-25	2023-24 (restated) ^d
Arif Ahmed MBE	105-110	65-70 ^b	0-5	0	42	26	155-160	90-95

- a. Annual pay settlements are awarded from 1 August each year.
- b. Appointment commenced 14 August 2023. Annual salary was £105-110,000.
- c. Bonus in 2024-25 is non-consolidated pay in recognition of performance in 2023-24. Non-consolidated performance pay is calculated as a cash lump sum. Non-consolidated performance pay is not pensionable.
- d. See Public Service Pensions Remedy.

Senior employees

Salaries include 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 2024-25.

Remuneration of senior employees

	Salary paid (£000)		Bonus (£000) ^a		Pension benefit (nearest £000)		Total (£000)	
	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24 (restated) ^h	2024-25	2023-24 (restated) ^h
Josh Fleming^b Director of Strategy and Delivery (appointment commenced 1 July 2023)	110-115	80-85	5-10	0-5	44	30	165-170	110-115
Philippa Pickford^c Director of Regulation (appointment commenced 17 July 2023)	135-140	90-95	5-10	0	97	85	245-250	180-185
Conor Ryan^d Director of External Relations (appointment ended 28 July 2023)	n/a	35-40	n/a	0	n/a	15	n/a	50-55
Nolan Smith OBE^e Director of Resources and Finance	130-135	135-140	0-5	0-5	78	26	210-215	165-170
David Smy^f Deputy Director of Enabling Regulation ^g (commenced 1 August 2023)	n/a	95-100	n/a	0-5	n/a	39	n/a	140-145
Jean Arnold^f Deputy Director of Quality ^g (commenced 1 August 2023)	n/a	95-100	n/a	0-5	n/a	12	n/a	115-120
Paul Huffer^g Head of Legal	n/a	115-120	n/a	0-5	n/a	62	n/a	180-185

a. Bonus paid in 2024-25 is in relation to performance in 2023-24.

b. Annual FYE salary 2023-24 was £105-110,000.

c. Annual FYE salary 2023-24 was £130-135,000.

d. Annual FYE salary for 2023-24 was £115-120,000.

e. Reduced working hours from full-time to 0.81 of a Full-Time Equivalent (FTE) on 1st November 2024. FTE salary is £145-150,000.

f. At the start of 2023-24 Jean Arnold was the interim Director of Quality, and David Smy was the interim Director of Monitoring and Intervention. Annual FYE salary for both positions in 2023-24 was £100-105,000. From 1 August 2023 Jean Arnold was appointed as Deputy Director of Quality, and David Smy was appointed as Deputy Director of Enabling Regulation. Annual FYE salary for both positions in 2023-24 was £95-100,000.

g. From 1 April 2024 these employees were not members of the Executive Committee and are not disclosed as directors.

h. See Public Service Pensions Remedy

Senior employees' pensions

	Accrued pension at pension age as at 31 March 2025 and related lump sum (£000)	Real increase in pension and related lump sum at pension age (£000)	CETV at 31 March 2025 (£000)	CETV at 31 March 2024 or start date (£000)	Real increase/ (decrease) in CETV (£000)
Susan Lapworth^a Chief executive					
Pension	30-35	0-2.5	417	425	19
Lump sum	90-95	2.5-5			
John Blake^b Director for Fair Access and Participation					
Pension	10-15	2.5-5	135	88	30
Lump sum	0	0			
Arif Ahmed MBE^b Director for Freedom of Speech and Academic Freedom					
Pension	0-5	2.5-5	59	22	28
Lump sum	0	0			
Nolan Smith OBE^b Director of Resources and Finance					
Pension	45-50	2.5-5	1,018	915	59
Lump sum	115-200	2.5-5			
Josh Fleming^b Director of Strategy and Delivery					
Pension	15-20	2.5-5	168	130	19
Lump Sum	0	0			
Philippa Pickford^b Director of Regulation					
Pension	35-40	5-7.5	786	674	76
Lump Sum	85-90	5-7.5			
Conor Ryan^b Director of External Relations					
Pension	n/a	n/a	n/a	249	n/a
Lump Sum	n/a	n/a			
David Smy^b Deputy Director of Enabling Regulation					
Pension	n/a	n/a	n/a	304	n/a
Lump sum	n/a	n/a			
Jean Arnold^b Deputy Director of Quality					
Pension	n/a	n/a	n/a	588	n/a
Lump sum	n/a	n/a	n/a		
Paul Huffer^b Head of Legal					
Pension	n/a	n/a	n/a	701	n/a
Lump sum	n/a	n/a			

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

a. Member of the Universities Superannuation Scheme.

b. Members of the Principal Civil Service Pension Scheme.

Accrued pension benefits are now included in this table for 2023-24. They were not included in the 2023-24 accounts due to an exceptional delay in the calculation of these figures following the application of the public service pension remedy. With the figures now included the combined value of the salary, bonus and pension benefit is now higher than reported in the 2023-24 accounts. See Public Service Pensions Remedy.

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.³² 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.

Fair pay disclosure

As part of central government's commitment to increase transparency and accountability, the OfS is reporting the median, the upper quartile and the lower quartile earnings of its workforce, as well as

the ratio between these and the mid-point of the remuneration band of the highest paid director. 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 total remuneration of the highest paid director in the OfS (the chief executive), in the financial year 2024-25, was £195-200,000 (2023-24: £185-190,000). This was 3.6 times (2023-24: 4.1 times) the median remuneration of the workforce, which was £54,439 (2023-24: £45,782). The highest paid director received a bonus of £15-20,000 in 2024-25 (2023-24: £15-£20,000). The bonus in 2024-25 relates to the performance in 2023-24. The movement in staff numbers and in grade mix has driven the increase in the lower quartile values shown below for salary and allowances.

Total remuneration includes salary, non-consolidated performance-related pay and benefits in kind. It does not include severance payments, employer pension contributions or the cash equivalent transfer value of pensions.

Pay multiples

	2024-25		2023-24 (restated) ^a	
	Salary and allowances (£)	Total pay and benefits (£)	Salary and allowances (£)	Total pay and benefits (£)
Highest paid director (£000)	175-180	195-200	165-170	185-190
Staff salary range (£000)	20-180	20-200	20-170	20-190
Upper quartile	60,631	61,684	56,565	56,844
Median	54,439	54,439	45,567	45,782
Lower quartile	44,102	44,102	35,803	36,753
	Percentile	Percentile	Percentile	Percentile
Upper quartile	2.9	3.2	3.0	3.3
Median	3.3	3.6	3.7	4.1
Lower quartile	4.0	4.5	4.7	5.1

a. The restated data for 2023-24 refers to the staff salary range. Previously this was calculated from actual staff pay; it has been re-calculated from annualised salary or as if the employee was a full-time employee.

The table below shows the percentage change in the total salary and bonuses of the highest paid director and the staff average.

Percentage change in the total salary and bonuses of the highest paid board member and the staff average

	2024-25		2023-24 (restated)	
	Highest paid director % change	Staff average % change	Highest paid director % change	Staff average % change
Salary and allowances	6.0 ^a	8.5	3.1	4.7 ^b
Bonuses	0.0	11.2	600	(6.4) ^c

- Following the annual pay review in August 2024 a flat rate uplift of 5 per cent was awarded to all staff salaries, including the highest paid director. The method for calculating the percentage change for the highest paid director is based on the increase in the mid-point of the bandings between 165-170 (2023-24) and 175-180 (2024-25) which results in a percentage change of 6 per cent instead of the actual 5 per cent.
- For 2023-24 the staff average as a percentage change on the prior year for salary and allowances has been restated. Previously this was the percentage change in total salary and allowances paid between 2022-23 and 2023-24. This has been corrected to the percentage change in total annualised full-time equivalent salary and allowances as an average of the full-time equivalent number of staff at the end of the respective financial years.
- For 2023-24 the staff average as a percentage change on the prior year for bonuses has been restated. This was previously calculated as the percentage change in the average of the bonus paid for staff eligible for the bonus between the years 2022-23 and 2023-24. This has been corrected to the percentage change in the bonus paid as an average of the full-time equivalent number of staff as at the end of each financial year regardless of employee eligibility for the bonus in each year. This therefore will restate the below average bonuses for years 2022-23 and 2023-24 due to the correction in calculation.

The restated average bonus (see above note) was £906 in 2022-23, £847 in 2023-24. In 2024-25 the average bonus was £942. The highest paid director received a bonus of £0-5,000 in 2022-23, £15-20,000 in 2023-24 and £15-20,000 in 2024-25, which is the reason for the large percentage increase in 2023-24 and the nil rate increase in 2024-25. The bonus in 2024-25 relates to the performance in 2023-24.

There has been no significant change to the remuneration of the highest paid director and no significant changes to pay policies for staff across the OfS in the year. Accordingly, we consider the median pay ratios are consistent with the pay, reward and progression policies for employees taken as a whole

In 2024-25, no employees (2023-24: none) received remuneration in excess of the highest paid director.

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 an average of 475 full-time equivalent staff members (2023-24: 434), which includes 12 contractors during 2024-25 (2023-24: 12). Full-time equivalents include 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

Staff and pension costs

	Year ended 31 March 2024 (£000)	Year ended 31 March 2024 (£000)
Staff with a permanent UK employment contract with the OfS		
Salaries	25,437	22,830
National Insurance contributions	2,798	2,525
Pension costs	6,815	5,675
Total	35,050	31,030
Costs of employing contract, agency and temporary staff	982	799
Total staff costs	36,032	31,829
Pension costs breakdown		
Civil Service pensions	6,707	5,564
Partnership pension	68	59
Universities Superannuation Scheme (USS)	40	52
Total pension costs	6,815	5,675

full-time equivalence for the chair is excluded from the above staff numbers, his costs are included among staff costs.

Pensions

Employers' contributions of £6,707,231 (2023-24: £5,564,465) were payable to the PCSPS at one rate of 28.97 per cent (2023-24: a range of four rates between 26.6 to 30.3 per cent) of pensionable pay. This one rate came into effect from 1 April 2024. 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 £68,202 (2023-24: £59,283) were paid to appointed stakeholder pension providers. Employer contributions are age-related and range from 8.0 to 14.75 per cent (2023-24: 8.0 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 (2023-24: 3) members of staff hold a pension with USS. For 2024-25, employers' contributions of £39,651 (2023-24: £51,704) were payable at a rate of 14.5 per cent (2023-24: 21.6 per cent to 31 December 2023 and 14.5 per cent from 1 January 2024). 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. Before 1 April 2015, the only scheme was the PCSPS, which is divided into a few different sections. Classic, premium, and classic plus provide benefits on a final salary basis, while nuvos provides benefits on a career average basis. 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. All newly appointed civil servants, and the majority of those already in service, joined the new scheme.

The PCSPS and alpha are unfunded statutory schemes. Employees and employers make contributions (employee contributions range between 4.6 per cent and 8.05 per cent, depending on salary). The balance of the cost of benefits in payment is met by monies voted by Parliament each year. Pensions in payment are increased annually in line with the Pensions Increase legislation. Instead of the defined benefit arrangements, employees may opt for a defined contribution pension with an employer contribution, the partnership pension account.

In alpha, pension builds up at a rate of 2.32 per cent of pensionable earnings each year, and the total amount accrued is adjusted annually in line with a rate set by HM Treasury. Members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004. All members who switched to alpha from the PCSPS had 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 accrued pensions shown in this report are the pension the member is entitled to receive when they reach normal pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over normal pension age. Normal 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 in this report show pension earned in PCSPS or alpha – as appropriate. Where a member has benefits in both the PCSPS and alpha, the figures show the combined value of their benefits in the two schemes but note that the constituent parts of that pension may be payable from different ages.

When the government introduced new public service pension schemes in 2015, there were transitional arrangements, which

treated existing scheme members differently based on their age. Older members of the PCSPS remained in that scheme, rather than moving to alpha. In 2018, the Court of Appeal found that the transitional arrangements in the public service pension schemes unlawfully discriminated against younger members.

As a result, steps are being taken to remedy those 2015 reforms, making the pension scheme provisions fair to all members. The Public Service Pensions Remedy is made up of two parts.³³ The first part closed the PCSPS on 31 March 2022, with all active members becoming members of alpha from 1 April 2022. The second part removes the age discrimination for the remedy period, between 1 April 2015 and 31 March 2022, by moving the membership of eligible members during this period back into the PCSPS on 1 October 2023. This is known as ‘rollback’.

For members who are in scope of the public service pension remedy, the calculation of their benefits for the purpose of calculating their Cash Equivalent Transfer Value and their single total figure of remuneration, as of 31 March 2023 and 31 March 2024, reflects the fact that membership between 1 April 2015 and 31 March 2022 has been rolled back into the PCSPS. Although members will in due course get an option to decide whether that period should count towards PCSPS or alpha benefits, the figures show the rolled back position, i.e. PCSPS benefits for that period.

The partnership pension account is an occupational defined contribution pension arrangement which is part of the Legal & General Mastertrust. 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 it does 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).

Further details about the Civil Service pension arrangements can be found at the Civil Service Pension Scheme website.³⁴

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 does not include the increase in accrued pension due to inflation or 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 paid contributions of 6.1 per cent of pensionable earnings (2023-24: 9.8 per cent of pensionable earnings to 31 December 2023 and 6.1 per cent of pensionable earnings from 1 January 2024). The rate of employers' contributions is 14.5 per cent (2023-24: 21.6 per cent to 31 December 2023 and 14.5 per cent from 1 January 2024). 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 retain death in service and incapacity benefits and contribute 2.5 per cent of pensionable earnings, while 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.

Exit packages

There have been two (2023-24: 3) exit payments to employees in 2024-25. One compensation payment was made under special severance terms of £0 to £25,000 and was approved by HM Treasury retrospectively (2023-24: none). A further special severance (ex-gratia) payment of £0 to £25,000, approved by HM Treasury prospectively, was made in year (2023-24: one payment of £50,001 to £100,000). In 2023-24 there were two payments made under voluntary exit terms: one payment of £0 to 25,000 and one payment of £50,001 to £100,000.

Parliamentary accountability and audit report (audited)

This section presents the disclosures to support parliamentary accountability of the OfS.

Regularity of expenditure

The Chief Executive and Accounting Officer confirms the regularity of expenditure incurred through her statement in the Accountability report.

Fees and charges income

The executive team regularly reviews the OfS's performance in two areas. In relation to its administration budget, the OfS's operating activities are funded mostly by income from registration fees paid by registered providers. The OfS's programme budget is for the OfS's grant funding activities funded by grant in aid provided by the DfE. More analysis and information can be found in Note 2: Operating segments.

Administration income and costs

	Year ending 31 March 2025	Year ending 31 March 2024
Income	(32,556)	(30,165)
Expenditure	33,277	30,499
Net operating expenditure	721	334

Remote contingent liabilities

The OfS has no remote contingent liabilities that need to be disclosed under parliamentary reporting requirements (2023-24: none).

Losses and special payments

During 2024-25 the OfS made no losses or special payments either individually or cumulatively above £300,000 (2023-24: none).

Gifts

Managing Public Money states any gifts made over the proscribed limits should be disclosed. There were no gifts made during 2024 to 2025 (2023-24: none).

Government functional standards (unaudited)

We assess our compliance with the government functional standards as appropriate.



Susan Lapworth
Chief Executive and Accounting Officer
7 July 2025

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 2025 under the Higher Education and Research Act 2017.

The financial statements comprise the Office for Students’:

- Statement of Financial Position as at 31 March 2025;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers’ Equity for the year then ended; and
- 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 2025 and its comprehensive net 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 and Regularity of Public Sector Bodies in the United Kingdom (2024). 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 2024. 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 12 months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of 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 requires entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is 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 and my auditor's certificate and report thereon. The Accounting Officer is 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.

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 Report and Accountability Report 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 Report and Accountability Report.

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

- 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

- I have not received all of the information and explanations I require for my audit; 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.
- preparing financial statements which give a true and fair view in accordance with Secretary of State directions issued under the Higher Education and Research Act 2017;
- preparing the Annual report, which includes the Remuneration and Staff Report, in accordance with Secretary of State directions issued under the Higher Education and Research Act 2017; 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.

Responsibilities of the Accounting Officer for the financial statements

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

- maintaining proper accounting records;
- providing the Comptroller and Auditor General (C&AG) with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the Office for Students from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;

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, I:

- considered the nature of the sector, control environment and operational performance including the design of the Office for Students' accounting policies and key performance indicators.
- inquired of management, the Office for 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 on:
 - identifying, evaluating and complying with laws and regulations;
 - detecting and responding to the risks of 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 the Office for Students' compliance with the Higher Education and Research Act 2017, Higher Education (Registration Fees) (England) Regulations and Managing Public Money;
- inquired of management, the Office for Students Head of Internal Audit and those charged with governance whether:
 - they were aware of any instances of non-compliance with laws and regulations;

- they had knowledge of any actual, suspected, or alleged fraud;
- discussed with the engagement team regarding 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 or 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 required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the Office for Students' framework of authority and other legal and regulatory frameworks in which the Office for Students operates. I focused 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 pensions legislation.

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed 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;
- I enquired of management, the RAC and in-house legal counsel concerning actual and potential litigation and claims;

- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports; and
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements on 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 communicated relevant identified laws and regulations and potential risks of fraud 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.³⁵ This description forms part of my certificate.

Other auditor's responsibilities

I am required to obtain sufficient appropriate audit evidence to give reasonable assurance that the expenditure and income 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.

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 I identify during my audit.

Report

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General

11 July 2025

National Audit Office
 157-197 Buckingham Palace Road
 Victoria
 London
 SW1W 9SP

Notes

- 1** See [Our board and committees - Office for Students](#).
- 2** 'Managing conflicts of interest' is available at [Who we are - Office for Students](#).
- 3** Board members' register of interests' is available at [Our board and committees - Office for Students](#).
- 4** See [Higher Education and Research Act 2017 \(Schedule 1\)](#).
- 5** See [Higher Education and Research Act 2017](#).
- 6** Available at [Office for Students framework document - GOV.UK](#).
- 7** Available at [Our board and committees - Office for Students](#).
- 8** See [Our board and committees - Office for Students](#).
- 9** 'Scheme of delegation' is available at [Who we are - Office for Students](#).
- 10** See [Regulatory framework for higher education in England - Office for Students](#).
- 11** See [Higher Education and Research Act 2017 \(Section 2\)](#).
- 12** See [Legislative and Regulatory Reform Act 2006](#).
- 13** See [Growth duty - GOV.UK](#).
- 14** See [Higher Education and Research Act 2017 \(Section 2\)](#).
- 15** Available at [Code of Practice for Statistics](#).
- 16** Available at [Prevent monitoring: Summary of 2022-23 accountability and data returns - Office for Students](#).
- 17** See [OfS announces temporary changes to allow greater focus on financial sustainability - Office for Students](#).
- 18** Prior year (2023-24) figures have been restated using calendar days for the calculations rather than working days as previously used.
- 19** See [Higher Education and Research Act 2017 \(section 64\)](#); and [Higher Education and Research Act 2017 \(section 65\)](#).
- 20** See [Data Futures: The programme | HESA](#).
- 21** Report available at [Data Futures: Independent review - Office for Students](#).
- 22** See [Higher Education and Research Act 2017 \(section 63\)](#).
- 23** See [Charities Act 2011](#).
- 24** 'Scheme of delegation' is available at [Who we are - Office for Students](#).
- 25** See dataset (2023 and 2024) available at [Sickness absence in the UK labour market - Office for National Statistics](#).
- 26** See [Equality objectives - Office for Students](#).
- 27** See [Guidance for applicants - Office for Students](#).
- 28** Report and Annex available at [Staff at the Office for Students: Equality statistics 2024 - Office for Students](#).
- 29** Term ended on 9 July 2024. Annual salary £59,000.

- 30** Term commenced on 26 July 2024. Annual salary £29,500 and annual FTE salary of £59,000.
- 31** See [2015 Remedy \(McCloud\) - Civil Service Pension Scheme](#).
- 32** See [Civil Service Pensions / Home - Civil Service Pension Scheme](#); and [USS](#).
- 33** See [How the public service pensions remedy affects your pension - GOV.UK](#).
- 34** See [Civil Service Pensions / Home - Civil Service Pension Scheme](#).
- 35** See [Auditor's Responsibilities for the Audit](#).

Financial statements



Financial statements

Statement of comprehensive net expenditure for the year ended 31 March 2025

	Note	Year ended 31 March 2025 £000	Year ended 31 March 2024 £000
Income	6	(33,232)	(31,497)
Staff costs	4	36,032	31,829
Non-pay administration costs	5	5,893	5,269
Depreciation	7	616	614
Recurrent and non-recurrent grant expenditure	3	1,580,365	1,598,987
Changes in provision	11	(123)	(501)
Total operating expenditure		1,622,783	1,636,198
Net operating expenditure		1,589,551	1,604,701
Finance costs		56	50
Net financing expenses		56	50
Comprehensive net expenditure for the period transferred to general reserve		1,589,607	1,604,751

The notes on pages 123 to 142 form part of these accounts.

Statement of financial position as at 31 March 2025

	Note	Year ended 31 March 2025 £000	Year ended 31 March 2024 £000
Non-current assets			
Property, plant and equipment	7	3,095	2,438
Grant recoveries falling due after one year	8a	1,114	2,515
		4,209	4,953
Current assets			
Grant recoveries falling due within one year	8a	1,118	36
Trade and other receivables due within one year	8b	2,057	3,494
Cash and cash equivalents	9	14,731	15,970
		17,906	19,500
Total assets		22,115	24,453
Current liabilities			
Trade and other payables within one year	10	(13,830)	(13,186)
Provisions for liabilities and charges within one year	11	0	(228)
Total assets less current liabilities		8,285	11,039
Non-current liabilities			
Trade and other payables after one year	10	(1,609)	(2,515)
Provisions for liabilities and charges after one year	11	(967)	(560)
		(2,576)	(3,075)
Total assets less liabilities		5,709	7,964
Taxpayers' equity			
General reserve		5,709	7,964
		5,709	7,964

The financial statements on pages 119 to 122 were approved and were signed on 7 July 2025 by Susan Lapworth, Chief Executive and Accounting Officer.



The notes on pages 123 to 142 form part of these accounts.

Statement of cashflows for the year ended 31 March 2025

	Note	Year ended 31 March 2025 £000	Year ended 31 March 2024 £000
Cashflows from operating activities			
Net operating expenditure	SoCNE	(1,589,607)	(1,604,751)
Adjustment for non-cash transactions	7,10,11	(92)	387
Decrease in receivables and grant recoveries	8a,8b	1,755	150
Increase/(Decrease) in payables	10	(262)	2,773
Lease interest paid	SoCNE	56	50
Net cash outflow from operating activities		(1,588,150)	(1,601,391)
Cashflows from investing activities			
Purchase of property, plant and equipment	7	0	(574)
Net cash outflow from investing activity		0	(574)
Cashflows from financing activities			
Grants from government department	SoCiTE	1,587,352	1,606,468
Payment of lease liabilities		(441)	(696)
Net financing		1,586,911	1,605,772
Net increase/(decrease) in cash for the period		(1,239)	3,807
Cash and cash equivalents at the beginning of the period	9	15,970	12,163
Net increase/(decrease) in cash and cash equivalents in the period	9	(1,239)	3,807
Cash and cash equivalents at the end of the period		14,731	15,970

The notes on pages 123 to 142 form part of these accounts.

Statement of changes in taxpayers' equity for the year ended 31 March 2025

	Total Reserves £000
Changes in taxpayers' equity 2024-25	
Balance as at 1 April 2024	7,964
Grant from sponsoring department	1,587,352
Comprehensive net expenditure for the period	(1,589,607)
Balance as at 31 March 2025	5,709
Changes in taxpayers' equity 2023-24	
Balance as at 1 April 2023	6,247
Grant from sponsoring department	1,606,468
Comprehensive net expenditure for the period	(1,604,751)
Balance as at 31 March 2024	7,964

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 123 to 142 form part of these accounts.

Notes to the accounts

1 Accounting policies

1. Basis of accounting

These financial statements have been prepared in accordance with the 2024-25 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 (HERA).¹ 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 2024-25 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 2024-25.

4. Early adoption

The OfS has not adopted any accounting standards early in 2024-25.

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 and government-determined registration fees, 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 providers. 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 (DfE)

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 makes provision for the OfS to charge providers an annual fee for their registration in the Register of English higher education providers.² The OfS has the powers under section 72 to retain these fees as income.³ The OfS fulfils its obligations by regulating providers during the period the fee covers. The benefits are simultaneously received by the provider; therefore, the revenue received by the OfS should be recognised proportionately over the academic year that the fee covers. Any income paid in excess of the value of performance obligation at the year-end is deferred.

Other fee income

Section 71 of HERA makes provision for the OfS to charge providers additional fees for activity or services undertaken by the OfS in the performance of its functions as specified in the regulations.⁴

Investigation fee income

The Higher Education (Investigation Fees) (England) Regulations 2022 make provision for the OfS to charge additional fees for conducting an investigation of the activities of a registered higher education provider.⁵ Fee income is recognised when the conditions set out in the relevant regulation are met.

Assessment fee income

The Higher Education (Assessment Fees) (England) Regulations 2023 make provision for the OfS to charge fees for undertaking assessments of the quality of, and the standards applied to, higher education in connection with initial registration, ongoing registration and the authorisations to grant degrees.⁶ Fee income is recognised when the conditions set out in the relevant regulation are met.

Income from joint initiatives and national programmes

The OfS acts as lead partner for several 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 arrangements 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 capitalised at the present value of the minimum lease payments at the inception of the lease and a liability recognised for the same amount. Leased assets are depreciated over the shorter of the asset's useful life and the lease term. Each lease payment is allocated between the principal capital component and finance charges. The finance charges are allocated to each period during the lease term, to produce a constant periodic rate of interest on the remaining balance of the liability.

Where the interest rate implicit in a lease cannot be readily determined, the OfS calculates the lease liability using the HM Treasury discount rates promulgated in Public Expenditure System papers as the incremental borrowing rate. For leases that commence or are remeasured in the 2025 calendar year, this rate is 4.81 per cent (2024: 4.72 per cent; 2023: 3.51 per cent).

Interest on leases is charged to the statement of comprehensive net expenditure (SoCNE) in the year in which the lease payment relates.

Leases that are low in value or represent a short-term lease of up to 12 months are recognised as expenses on a straight-line basis and charged to the SoCNE in the year to which they relate.

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:

- Right of use asset – the useful life of the asset or the lease term, whichever is shorter, unless the title to the asset transfers at the end of the lease term, in which case depreciation is over the useful life.
- Leasehold improvements – ten years or the lease term, whichever is shorter.
- Furniture and fittings – five years.
- Information technology equipment – three years.

14. Payment of grants

Grants expenditure is 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 exceptions to this are: holdback of provider grant arising from revised student numbers where there is sufficient certainty; and clawback of provider grant where specific conditions of the grant have not been met. 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. Grant commitments

The OfS's policy is to only recognise grants as commitments where a signed grant letter exists within the reporting year. Public commitments to funding will only be included as part of the disclosure notes if these criteria have been met.

16. Pensions

OfS employees are covered by the provisions of the PCSPS.⁷ 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 transferred to the Higher Education Funding Council for England from universities, and these staff are covered by the provisions of the USS, which is also a defined benefit scheme treated for accounting purposes as a defined contribution scheme.⁸ These schemes are described in more detail in the remuneration and staff report.

17. 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.

18. 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.

19. 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 IFRS and found that none of the updates have any material impact on the 2024-25 accounts:

- 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.
- IFRS S1: General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2: Climate-related Disclosures – effective date, periods starting after 1 January 2024.

These standards have been issued but are not yet incorporated into the FReM.

- IFRS 18: Presentation and Disclosure in Financial Statements, effective date, periods starting after 1 January 2027.
- IFRS 19: Subsidiaries without Public Accountability: Disclosures – effective date, periods starting after 1 January 2027.

These standards have been issued but are not yet effective 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 areas.

20. Grant recoveries

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 providers' future grant funding. Further details are given in Note 8a.

The OfS has the powers under HERA 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.

21. Contingent liabilities

Where the time value of money is material, contingent liabilities, which are required to be disclosed under IAS 37, are stated at discounted amounts and the amount reported to Parliament noted separately. Remote contingent liabilities that are not required to be disclosed by IAS 37 are disclosed in the Parliamentary Accountability Report and stated at the amounts reported to Parliament.

The OfS policy is to recognise or disclose potential costs arising from legal cases where claimants are seeking financial recompense as part of their claim.

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 reviews the OfS's performance using two operating segments. The administration segment is the OfS's operating activities funded by the registration fee and other sources. 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 2024-25'.⁹

Operating segments

	Administration		Programmes		TOTAL	
	Year ended 31 March 2025 £000	Year ended 31 March 2024 £000	Year ended 31 March 2025 £000	Year ended 31 March 2024 £000	Year ended 31 March 2025 £000	Year ended 31 March 2024 £000
Income						
Registration fees	(31,642)	(29,757)	0	0	(31,642)	(29,757)
Other activities	(914)	(408)	(676)	(1,332)	(1,590)	(1,740)
	(32,556)	(30,165)	(676)	(1,332)	(33,232)	(31,497)
Expenditure						
Institutional recurrent funding	0	0	1,329,786	1,335,745	1,329,786	1,335,745
Funding for national facilities and initiatives	0	0	69,973	65,328	69,973	65,328
Capital funding	0	0	163,549	178,794	163,549	178,794
Other government allocations	0	0	10,614	11,728	10,614	11,728
Non-pay	5,893	5,269	6,443	7,392	12,336	12,661
	5,893	5,269	1,580,365	1,598,987	1,586,258	1,604,256
Depreciation	616	614	0	0	616	614
(Decrease)/Increase in provision	(123)	(501)	0	0	(123)	(501)
Staff	26,891	25,117	9,141	6,712	36,032	31,829
Net operating expenditure*	721	334	1,588,830	1,604,367	1,589,551	1,604,701
Finance cost	56	50	0	0	56	50
Net expenditure	777	384	1,588,830	1,604,367	1,589,607	1,604,751

* Net operating expenditure is funded by grant in aid.

3 Analysis of recurrent and non-recurrent grant expenditure

Analysis of recurrent and non-recurrent grant expenditure

	Year ended 31 March 2025 £000	Year ended 31 March 2024 £000
Teaching funding ^a	1,329,786	1,335,745
Funding for national facilities and regulatory initiatives ^b	74,813	70,057
Capital funding ^c	163,735	178,794
Other government allocations ^d	12,031	14,391
Total grant	1,580,365	1,598,987

This analysis of grant expenditure is consistent with the presentation in the 'Guide to funding 2024-25'.¹⁰

- a. **Teaching (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, 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 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** – grant administered on behalf of the government to cover programmes such as the Teaching Excellence Framework (TEF). The OfS distributes this funding, which is provided by the DfE for specific purposes.

4 Staff costs

Analysis of staff costs

	Year ended 31 March 2025 £000	Year ended 31 March 2024 £000
Staff with a permanent UK employment contract with the OfS		
Salaries	25,437	22,830
National insurance	2,798	2,525
Pension costs	6,815	5,675
Total	35,050	31,030
Cost of employing contract, agency and temporary staff	982	799
Total staff costs	36,032	31,829

Staff costs are analysed in the Remuneration and staff report on page 106.

5 Other administration costs

Analysis of other administration costs

	Year ended 31 March 2025 £000	Year ended 31 March 2024 £000
Non-pay administration costs		
Staff-related and general administrative expenditure	1,093	1,078
Rental payments under other operating leases	86	355
Premises costs	387	376
Office costs	2,044	1,660
Board and committee members' fees and expenses	160	191
Audit fee	120	90
Rental payments under plant and machinery operating leases	12	9
Professional services	1,991	1,510
Total non-pay administration costs	5,893	5,269

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 minor office equipment costs.

The audit fee for 2024-25 is £105,000 (2023-24: £90,000). No non-audit services were provided by the NAO during the year. £15,000 of the audit fee costs recognised in 2024-25 relate to audit services provided in 2023-24 and invoiced in 2024-25.

6 Income

Analysis of income

	Year ended 31 March 2025 £000	Year ended 31 March 2024 £000
Registration fees	31,642	29,757
Income from joint initiatives and national programmes	847	1,215
Investigations and quality assessments	632	336
Service-level agreement income	60	86
Rental income	50	69
Income from other activities	1	34
Total income	33,232	31,497

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 HERA.¹¹ The fees have been set by Parliament under the Higher Education (Registration Fees) (England) Regulations 2019.¹² The OfS has the powers under section 72 of HERA under direction of the Secretary of State and consent of the Treasury to retain these fees as income.¹³

The OfS receives income from UK funding councils and associated organisations in respect of agreed contributions towards joint initiatives and national programmes. These 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 may perform investigations and assessments of providers and charge providers fees for these activities under the Higher Education (Investigation Fees) (England) Regulations 2022 and the Higher Education (Assessment Fees) (England) Regulations 2023.¹⁴ Section 71 of HERA makes provision for the OfS to charge providers additional fees for activity or services undertaken by the OfS in the performance of its functions as specified in the regulations.¹⁵ The OfS has the consent of the Treasury to retain these fees as income.

The OfS provides a range of services under service-level agreements to UKRI and the Department for the Economy Northern Ireland, which include facilities management and quality assurance.

7 Property, plant and equipment

Analysis of property, plant and equipment

	Leashold improvements £000	Furniture fixtures and equipment £000	Information technology £000	Right of use £000	Assets in the course of construction £000	Total £000
Cost or valuation						
At 1 April 2024	1,211	116	124	2,207	0	3,658
Transfers	0	0	0	0	0	0
Additions	0	0	0	1,273	0	1,273
Disposals	0	0	0	0	0	0
At 31 March 2025	1,211	116	124	3,480	0	4,931
Depreciation						
At 1 April 2024	612	116	124	368	0	1,220
Charge for period	148	0	0	468	0	616
Additions	0	0	0	0	0	0
Disposals	0	0	0	0	0	0
At 31 March 2025	760	116	124	836	0	1,836
Net book value at 31 March 2025	451	0	0	2,644	0	3,095
Cost or valuation						
At 1 April 2023	465	116	124	494	153	1,352
Transfers	153	0	0	0	(153)	0
Additions	593	0	0	2,207	0	2,800
Disposals	0	0	0	(494)	0	(494)
At 31 March 2024	1,211	116	124	2,207	0	3,658
Depreciation						
At 1 April 2023	465	116	124	395	0	1,100
Charge for period	147	0	0	467	0	614
Additions	0	0	0	0	0	0
Disposals	0	0	0	(494)	0	(494)
At 31 March 2024	612	116	124	368	0	1,220
Net book value at 31 March 2024	599	0	0	1,839	0	2,438

The above note shows the capitalised value of the OfS's property, plant and equipment. The right of use asset relates to two properties: the rental of the Bristol office, Westward House; and the new London office, 10 South Colonnade, which commenced on 1 February 2025 and has been capitalised in 2024-25.

The OfS's lease on its previous office at Finlaison House in London was terminated on 16 June 2023 and the OfS vacated the property. The right of use asset previously recognised by the OfS in regards of this property was treated as a disposal. The OfS's subsequent temporary office premises in London, Sanctuary Buildings, was not capitalised as a right of use asset, as the rental agreement in place as at 1 April 2024 was for less than one year and is disclosed in Note 12. The rental agreement ended on 31 December 2024.

The assets in the course of construction relate to leasehold improvements at the Westward House office premises in Bristol, which were completed during the year 2023-24.

8a Grant recoveries

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.

Analysis of grant recoveries

	Year ended 31 March 2025 £000	Year ended 31 March 2024 £000
Balances as at 1 April	2,551	2,800
Advanced during the period	0	0
Recovered during the period	(319)	(249)
Recognised during the period	0	0
Balances as at 31 March	2,232	2,551
Within one year	1,118	36
After one year	1,114	2,515
Balances as at 31 March	2,232	2,551

As at 31 March 2025, zero (2023-24: zero) organisations had outstanding recoverable grants or loan balances of £1,000,000 or more.

Included in grant recoveries and loans 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.

Also included in grant recoveries and loans 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 these balances should be accounted for as loans, to ensure consistency of reporting across the departmental group. These loans are provided within the total budgets of the Revolving Green Fund.

8b Trade and other receivables

Analysis of trade and other receivables

	As at 31 March 2025 £000	As at 31 March 2024 £000
Receivables due within one year		
Programme prepayments	11	2
Programme receivables	201	2,139
Trade prepayments	939	846
Trade and other receivables	661	68
Accrued income	245	439
Total receivables	2,057	3,494

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 the OfS but has not been invoiced as at 31 March 2025.

9 Cash and cash equivalents

Cash held under Government Banking Service

	Year ended 31 March 2025 £000	Year ended 31 March 2024 £000
Cash held under Government Banking Service		
Balance as at 1 April	15,970	12,163
Net change in cash and cash equivalent balances	(1,239)	3,807
Total cash and cash equivalents as at 31 March	14,731	15,970

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 2024-25 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

Analysis of trade and other payables

	As at 31 March 2025 £000	As at 31 March 2024 £000
Amounts falling due within one year		
Trade payables – administration	176	103
Accruals – administration	2,301	2,083
Tax and social security	1,492	1,365
Trade payables – programme	2	335
Accruals – programme	1,211	1,018
Deferred income	8,131	7,873
Reimbursement to co-funding partner	0	18
Lease liability	517	391
	13,830	13,186
Amounts falling due after one year		
Reimbursement to co-funding partner	0	1,259
Lease liability	1,609	1,256
	1,609	2,515
Total payables	15,439	15,701

‘Trade payables – administration’ refers to non-pay administration expenditure.

‘Accruals – administration’ includes the staff annual leave accrual to reflect the requirements of IAS 19.

The tax and social security includes amounts due to HM Revenue and Customs in arrears for National Insurance, Pay As You Earn and VAT.

‘Trade payables – programme’ includes claims received but not yet paid because of any delays in payment authorisation, the timing of OfS payment runs or both.

‘Deferred income’ includes registration fee income and S71 cost recovery income paid in excess of the value of performance obligation at the year-end.

‘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

Analysis of provisions for liabilities and charges

	As at 31 March 2025 £000	As at 31 March 2024 £000
Opening balance	788	1,014
Provision utilised in year	(105)	(285)
Increase/(Decrease) in provision	(123)	(501)
Capitalised dilapidations provision	407	560
Balance as at 31 March	967	788
Within one year	0	228
After one year	967	560
Balance at 31 March	967	788

The provisions are for dilapidations for the buildings noted in Note 12.

The capitalised dilapidations provision is included within the right of use additions disclosed in Note 7.

12 Commitments under leases

Commitments under leases

	As at 31 March 2025 £000	As at 31 March 2024 £000
Buildings		
Not later than one year	586	441
More than one year and not later than five years	1,398	1,324
Later than five years	343	0
	2,327	1,765
Other		
Not later than one year	0	10
More than one year and not later than five years	0	0
	0	10

The OfS leases its office buildings in Bristol and London.

The OfS's lease for its Bristol office, Westward House, has been capitalised and is disclosed as a right of use asset in note 7.

The OfS's lease for its new London office, 10 South Colonnade, has been capitalised and is disclosed as a right of use asset in note 7. The lease was signed on 1 February 2025.

The OfS's lease for its vacated London office, Sanctuary Buildings, was under negotiation at the prior year reporting date, and the OfS was occupying the property with the agreement of the Government Property Agency. The OfS rental agreement ended on 31 December 2024. There are no outstanding lease commitments as at the reporting date.

The OfS leases shown in the 'Other' category relate to the rental of office equipment (2023-24).

13 Financial commitments

Financial commitments (as at 31 March 2025)

	£000
Commitments as at 31 March 2025	
Grant committed for the period April to July 2025	505,083
Grant committed for the next academic year August 2025 to July 2026	825
Grant committed beyond the next academic year post July 2026	688
	506,596

Financial commitments (as at 31 March 2024)

	£000
Commitments as at 31 March 2024	
Grant committed for the period April to July 2024	521,037
Grant committed for the next academic year August 2024 to July 2025	143,110
Grant committed beyond the next academic year post July 2025	155
	664,302

The OfS has no commitments under non-cancellable contracts.

Recurrent expenditure for providers 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 2024-25 academic year is called 'Guide to funding for 2024-25'.¹⁶

14 Contingent liabilities

As at 31 March 2024 and 2025 there were no recognised contingent liabilities.

15 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 SLC, 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, Medr, 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 remuneration arrangements with members of the OfS board and senior management team are set out in the remuneration report.

The following tables provide details of material transactions with organisations that 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. Registers of interest for board and committee members, and OfS directors can be found on our website.¹⁷

Senior management related parties

	OfS position	Nature of related party
Sir David Behan	Interim chair (term commenced 26 July 2024)	King's College Hospital NHS Foundational Trust, Chair of the Board
Professor Mary Bishop	Quality Assessment Committee member (term ended 31 December 2023)	The University of Bristol, Co-opted member of the Audit Committee Staffordshire University, Visiting Chair The University of Bath, Teaching fellow Arden University Ltd., Non-executive Director and Chair of the Audit Committee CIPFA, Non-executive Director
Professor Amanda Chetwynd	Quality Assessment Committee member (term ended 31 December 2023)	The University of Lancaster (Students Union), Trustee
Martin Coleman	Board member	Competition and Markets Authority, Inquiry Chair and Panel Chair
Nicholas Gash	Risk and Audit Committee member (term commenced 1 June 2024)	Imperial College Healthcare NHS Trust, Non-Executive Director and chair of the Audit, Risk and Governance committee
Paul Gatrack	Quality Assessment Committee member	The University of Liverpool, Head of Operations for Student Experience and Enhancement Team

	OfS position	Nature of related party
Michael Grenfell	Provider Risk Committee member	Competition and Markets Authority, Executive Director, Enforcement, and an executive member of the CMA board
Verity Hancock	Board member	Leicester College, CEO and Principal
Satish Jeram	Risk and Audit Committee member	Tavistock and Portman NHS Foundation Trust, Sister-in-law is the Staff Education and Training Governor
Dr Jagjeet Jutley-Neilson	Quality Assessment Committee member	University of Warwick, Reader/Director of Student Experience and Progression
Kate Lander	Board member (term ended 31 July 2023)	Sparsholt College, father in-law is a Governor and member of the Resources Committee
Juliet Lazarus	Provider Risk Committee member	Competition and Markets Authority, Panel member
Margaret Monckton	Risk and Audit Committee member (term ended 11 July 2024)	The University of Nottingham, Chief Financial Officer, Director of subsidiary companies
Martyn Oliver	Board member (term commenced 1 January 2023 and ended 31 December 2023)	Ofsted, Chief Inspector (designate)
David Palfreyman	Board member (term ended 31 December 2023)	The University of Oxford, Member of the Congregation and Trustee (New College, Oxford)
Professor Graeme Pedlingham	Quality Assessment Committee member	University of Sussex, Deputy Pro-Vice-Chancellor for the Student Experience
Professor Deborah Rafalin	Quality Assessment Committee member	City, University of London, Assistant Vice-President (Education)
Diane Rainsbury	Quality Assessment member	Instituto Marangoni, Registrar
Michael Spence	Board member	University College London, President and Provost University of London, Trustee Universities UK, Advisory Board on Freedom of Speech and Academic Freedom, Member
Ramita Tejpal	Quality Assessment Committee member (term commenced 1 December 2023)	BPP University Limited, Dean of Academic Quality and Policy

Related party transactions

	Year ended 31 March 2025			Year ended 31 March 2024		
	£000			£000		
	Income	Expenditure	Grants committed	Income	Expenditure	Grants committed
Arden University ^b	0	0	0	(152)	4,357	2,048
BPP University ^h	(170)	0	0	(152)	0	0
Competition and Markets ^d	0	0	0	(29)	0	0
Leicester College	(37)	4,240	50	(44)	1,224	4,124
Ofsted ^b	0	0	0	0	65	0
Sparsholt College ^b	0	0	0	(41)	1,345	3,342
Staffordshire University ^b	0	0	0	(161)	8,871	3,497
Tavistock and Portman NHS Foundation Trust	(14)	0	0	(11)	0	0
The University of Bath ^b	0	0	0	(161)	10,168	3,546
The University of Bristol ^b	0	0	0	(203)	36,876	12,734
The University of Lancaster ^b	0	0	0	(161)	12,847	3,636
The University of Liverpool	(214)	37,949	14,123	(203)	38,263	12,930
The University of Nottingham ^a	(214)	48,619	18,231	(203)	47,881	16,634
The University of Oxford (restated) ^{bg}	0	0	0	(203)	16,204	9,044
Universities UK ^d	0	0	0	0	7	0
University College London	(214)	28,233	10,541	(203)	29,618	10,306
University of London	(86)	646	173	(87)	695	239
City St George's, University of London ^{ce}	(170)	12,257	7,738	0	0	0
King's College London ^{ce}	(214)	39,243	13,259	0	0	0
University of Sussex	(170)	12,227	3,255	(161)	10,103	6,418
The University of Warwick	(214)	16,704	5,858	(203)	19,634	6,483
St George's Hospital Medical School ^{cef}	(54)	10,790	0	0	0	0
BPP Professional Education Ltd ^h	0	49	0	0	0	0
Instituto Marangoni ^c	(65)	0	0	0	0	0
Imperial College London ^{ci}	(214)	28,112	9,742	0	0	0

- a. Includes subsidiaries of the provider, which may be found in the Board members' register of interest.
- b. Although there may have been current year transactions with these organisations, there are no current registered interests.
- c. Although there may have been previous year transactions with these organisations, there were no prior year registered interests.
- d. Although there are current registered interests, there have been no current year transactions with these organisations.

- e. Partners with King's College Hospital NHS Foundation Trust.
- f. Merged with City, University of London and de-registered on 22 August 2024. New entity named City St George's, University of London.
- g. University of Oxford and The Chancellor, Masters and Scholars of the University of Oxford were previously listed as two separate entities. The figures for last year have been merged.
- h. BPP Professional Education Ltd and BPP University Limited are part of the same group, BPP Education Group.
- i. Partners with Imperial College Healthcare NHS Trust and The Hillingdon Hospitals NHS Foundation Trust.

Other than those disclosed above, there are no outstanding balances with these parties as at 31 March 2025 and 31 March 2024.

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 providers 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 its website.¹⁸

16 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 Comptroller and Auditor General authorised these financial statements for issue on 11 July 2025.

Sir David Behan (interim Chair of the OfS) term ended on 6 July 2025. Edward Peck CBE was appointed as chair of the OfS on 7 July 2025.



Susan Lapworth
Chief Executive and Accounting Officer

7 July 2025

Notes

- 1** Available at [Guidance on annual reports and accounts - GOV.UK](#). See [Higher Education and Research Act 2017](#).
- 2** See [Higher Education and Research Act 2017 \(Section 70\)](#).
- 3** See [Higher Education and Research Act 2017 \(Section 72\)](#).
- 4** See [Higher Education and Research Act 2017 \(Section 71\)](#).
- 5** See [The Higher Education \(Investigation Fees\) \(England\) Regulations 2022](#).
- 6** See [The Higher Education \(Assessment Fees\) \(England\) Regulations 2023](#).
- 7** See [Civil Service Pensions / Home - Civil Service Pension Scheme](#).
- 8** See [USS](#).
- 9** Available at [Guide to funding 2024-25 - Office for Students](#).
- 10** Available at [Guide to funding 2024-25 - Office for Students](#).
- 11** See [Higher Education and Research Act 2017 \(Section 70\)](#).
- 12** See [The Higher Education \(Registration Fees\) \(England\) Regulations 2019](#).
- 13** See [Higher Education and Research Act 2017 \(Section 72\)](#).
- 14** See [The Higher Education \(Investigation Fees\) \(England\) Regulations 2022](#); and [The Higher Education \(Assessment Fees\) \(England\) Regulations 2023](#).
- 15** See [Higher Education and Research Act 2017 \(Section 71\)](#).
- 16** Available at [Guide to funding 2024-25 - Office for Students](#).
- 17** Available at [Who we are - Office for Students](#) (see the relevant board or committee section, or the section on 'Our leadership').
- 18** Available at [Who we are - Office for Students](#) (see the relevant board or committee section, or the section on 'Our leadership').

Some of the abbreviations used in this report

AFR	Annual financial return
APP	Access and participation plan
CETV	Cash equivalent transfer value
DAP	Degree awarding powers
DfE	Department for Education
ESFA	Education and Skills Funding Agency
ExCo	OfS Executive Committee
FReM	Financial Reporting Manual
FTE	Full-time equivalent
IFRS	International Financial Reporting Standards
KPM	Key performance measure
LLE	Lifelong Learning Entitlement
NAO	National Audit Office
NSS	National Student Survey
NTS	National Trading Standards
OfS	The Office for Students
OM	Operational measure
PCSPS	Principal Civil Service Pension Scheme
RAC	Risk and Audit Committee
RAP	Risk and Performance subcommittee
RNC	Remuneration and Nominations Committee
SLC	Student Loans Company
SoCNE	Statement of comprehensive net expenditure
SPD	Student protection direction
TEF	Teaching Excellence Framework
UKRI	UK Research and Innovation
USS	Universities Superannuation Scheme

Glossary

annual financial return (AFR)	Higher education providers registered with the Office for Students (OfS) submit an annual financial return (AFR) to the OfS.
conditions of registration	To register – and stay registered – with the OfS, higher education providers must show that they offer high quality higher education. Our conditions of registration are designed to make sure they maintain these high standards. There are three types of conditions of registration: • Initial conditions • General ongoing conditions • Specific ongoing conditions.
degree awarding powers (DAPs)	In England degrees must be awarded by a body with degree awarding powers (DAPs). See Degree awarding powers - Office for Students .
Equality of Opportunity Risk Register (EORR)	The Equality of Opportunity Risk Register identifies 12 sector-wide risks that may affect a student's opportunity to access and succeed in higher education. See About the Equality of Opportunity Risk Register - Office for Students .
higher education	A course of education at a higher level as defined in Schedule 6 of the Education Reform Act 1988
higher education provider (or provider)	An organisation that delivers higher education, for example, a university or college.
The OfS Register (or the Register)	The Register is a list of all higher education providers officially recognised by the OfS.
quality assessment	A collective term used to refer to arrangements for ensuring higher education providers meet baseline expectations for academic quality and standards.
student outcomes	These typically refer to continuation, completion, attainment and progression rates. For information see Student outcomes: About the data dashboard - Office for Students and About the data dashboard - Office for Students .
subcontractual arrangements	A subcontractual arrangement is when a higher education provider allows another organisation to deliver all or part of a higher education course on its behalf.

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