

HOUSE OF LORDS

Industry and Regulators Committee

2nd Report of Session 2022–23

**Must do better:
the Office for
Students and the
looming crisis facing
higher education**

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Industry and Regulators Committee

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See Appendix 1.

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Q in footnotes refers to a question in oral evidence.

SUMMARY

Context

The higher education sector faces a looming crisis. Long-term problems with financial sustainability were compounded by the challenges of the COVID-19 pandemic, with in-person teaching disrupted and acute financial pressures on providers. Subsequent inflation has increased costs for institutions, staff and students alike and eroded the value of the income providers receive from tuition fees. Reduced EU research funding is a major concern, as is the ongoing industrial action which is both caused by and has contributed to the instability in the sector. Given these problems, it is therefore vital that the sector's regulator is fit for purpose.

The Office for Students

The higher education sector is regulated by the Office for Students (OfS), a relatively new regulator established in 2017 under the Higher Education and Research Act (HERA). The providers that the OfS regulates are diverse, and not limited to traditional universities. As its name suggests, the OfS was established explicitly as a higher education regulator with a brief to support the interests of students rather than those of higher education providers—perceived as a contrast to what had come before.

Despite this laudable aim, the OfS has so far found itself in the worst of both worlds—as a direct consequence of its own approach and Government pressure. It is not trusted by and does not have the confidence of many of the providers it regulates. But it has arguably not acted in the real interests of students either. In this report, we examine the work of the OfS and recommend actions that both the OfS and the Government should take to improve its work.

The OfS' duties and decision-making

It is claimed that the statutory duties of the OfS are clearly set out in legislation, but they have been applied inconsistently and unequally. The regulator, and by extension the Government, has significant freedom to pick and choose which duties it prioritises, creating uncertainty. It appears not to have prioritised the autonomy of higher education providers and the principles of best regulatory practice, causing friction between the regulator and providers. Moreover, we are concerned by the OfS' apparent view that “having regard” to its duties merely means it has to think about them, rather than evidence that it has given weight to the underlying objectives. This makes it difficult for the OfS to be held accountable. When the OfS makes changes to its regulatory framework, it should set out how it has taken its statutory duties into account, and, where it has not done so, explain why.

In addition, the OfS has now become involved in issues such as freedom of speech and sexual harassment. The Government should review the activities of the OfS with a view to focusing on the strategic issues facing the sector.

We also found that there has been a proliferation of regulators in the higher education sector, causing duplication and red tape. We were pleased to hear that the Minister recognises this problem and intends to tackle it but request more details on how and when the Government will do so.

Financial sustainability

The current system of funding higher education is not sustainable and will lead to growing issues in the coming years, and it is far from clear to us that the OfS has paid sufficient attention to these systemic challenges. The sector faces a number of risks, particularly the freezing of the cap on tuition fees for home undergraduate students, the sector's main source of income. Providers often make a loss when teaching domestic students and conducting research, partly because of the loss of EU research funding. This has led them to become increasingly reliant on cross-subsidy from international and postgraduate students, whose fees are not capped. This dependency comes with risks and there is a worrying complacency that this premium from international student fees can be banked for the long-term, despite an increasingly competitive international environment and the risk that geopolitical shifts could cause changes in student numbers.

While providers are responsible for managing their finances, the Government controls their main sources of income through the tuition fee cap and its influence on international student recruitment through immigration policy. It is vital that the Government urgently puts in place a stable, long-term funding model for the sector.

The OfS monitors and reports annually on financial sustainability in the higher education sector. However, it appears to focus heavily on data and less on communicating sufficiently with institutions. We heard that some providers would be unwilling to engage with the OfS in the early stages of falling into financial difficulty for fear of a punitive response, hampering their ability to plan together. We welcome that the regulator has now begun engaging with providers directly and call on it to prioritise regular discussions with providers about their finances. More broadly, however, we were surprised by the OfS Chair's assertion that the sector's finances are "in good shape", which is not an assessment we share.

Although there seems to be an expectation that providers will merge and consolidate in future, it is not clear that either the OfS or the Government provides strategic oversight of the long-term financial sustainability of the sector. They should clarify whether this function exists and if not, consider whether it is necessary and where it should sit.

Value for money

Given the substantial fees higher education students pay and the young age of many applicants to undergraduate courses, we welcome the OfS' focus on value for money and the quality of education. The information students receive when they apply for courses can differ greatly, which is unacceptable given the scale of the financial commitment students undertake. In order for students to be able to judge whether their courses provide value, the OfS should ensure that they receive clear, digestible information from higher education providers.

Value for money in the context of higher education is a difficult metric to measure. However, the OfS' approach to student outcomes, and particularly its focus on employment outcomes for graduates, is too simplistic and narrow. Employment outcomes are affected by a broad range of factors, and this approach has the potential both to penalise providers that take on students from disadvantaged backgrounds and to underplay the benefits of courses that are less directly

vocational. We believe that the OfS should conduct further work to assess the broader value of higher education, particularly for those from disadvantaged backgrounds and including the need for future skills.

Quality, standards, choice and competition

During the passage of HERA, the sector was assured by the Government that quality and standards would be overseen by a designated body that commanded the confidence of the sector. This body was expected to be the Quality Assurance Agency for Higher Education (QAA). However, the QAA was recently de-designated from this role, following a series of events that included its suspension from the relevant European body for quality, which the QAA blamed on the OfS' regulatory approach. Although the circumstances of these events remain unclear and contested, there is a suspicion that in its handling of them, the OfS prioritised gaining direct control of quality assurance rather than working to sustain an independent assessor as Parliament envisaged.

It is concerning that England's regulatory framework has shifted away from European quality standards. This has the potential to damage the sector's international reputation, which is key in attracting international students. We call on the OfS to align its framework with international standards and appoint the QAA or another arms-length body to perform the Designated Quality Body (DQB) role.

A crucial part of the Government's vision for HERA was increasing competition in the higher education sector through encouraging new providers with innovative methods. We heard that delivery in this area had fallen short of these ambitions and that new providers had struggled with long, bureaucratic processes. It is welcome that the OfS is seeking to address this through guidance, but it should streamline its processes further.

With the introduction of the Lifelong Loan Entitlement (LLE), the Government is promoting a more flexible higher education system which includes shorter courses and new forms of delivery. This is to be welcomed. However, there are concerns that the OfS' approach to regulation may stifle this innovation. The OfS will need to review whether its approach is flexible enough to cover short courses and new forms of provision.

The student interest

Although the OfS was explicitly established to regulate in the interests of students, it has never clearly defined what it sees "the student interest" to be. In the absence of this, there is a suspicion that "the student interest" is used as a smokescreen for the political priorities of ministers. We call on the OfS to conduct detailed scoping work, informed by engagement with students, to define "the student interest" and explain how this drives its work.

The OfS has a number of mechanisms for engaging with students, including the National Student Survey, the inclusion of a student representative on its board, and its Student Panel. Although these mechanisms are welcome, it is unclear how far they drive the OfS' work. Students often feel their views are not acted upon, especially where they were not aligned with what the OfS wants to do. It was particularly concerning to hear allegations that the OfS issued veiled threats over the future of the Student Panel when panellists raised issues deemed to be of importance to students.

The OfS should set out how student input informs its decisions and open up more of its work to student involvement. It should respect the Student Panel's right to raise issues and add an extra student representative to the OfS board.

Regulatory framework and sector relations

We heard consistently from providers that the OfS' regulatory framework has become overly prescriptive and has shown a willingness to direct providers' activities, with insufficient explanation and little regard to the need to protect institutional autonomy. The OfS appears to have given insufficient attention to the impact of its requests and decisions. These have generated a significant burden for providers, particularly the volume of requests for data, often duplicating requests from other regulators but in different formats. The OfS should be more transparent about its approach, including through the publication of case studies and by making clear why it makes particular requests and decisions. The Government should reconvene the Higher Education Data Reduction Taskforce to reduce unnecessary burden on providers.

It is clear that the poor relationship between the OfS and providers has been in part because the OfS' approach has been overly distant and combative. It gives the impression that it is seeking to punish rather than support providers towards compliance, while taking little note of their views. The OfS appears to be concerned that it will be captured by the sector if it engages with providers. We welcome that the OfS has recently recognised that sector relations are an issue and we call on it to rebalance its approach and engage more with providers.

Moreover, despite its own focus on value for money to students, it is unclear whether the OfS provides value for money to providers, who pay the OfS a registration fee. The recent increase in OfS registration fees of up to 12% at a time of rising costs is challenging, particularly because it partly reflects the OfS' own expanding remit. This has alienated providers: the OfS appears to be adding to their regulatory burdens and then charging them more as a result.

Political independence and the role of the Government

The OfS is meant to be an independent regulator and describes itself as such. Yet we found that it lacks both real and perceived independence. Both the OfS and the Government bear some responsibility for this, and both should explain how they will address this state of affairs.

The OfS' own actions often appear driven by political priorities. While it does occasionally push back against the Government, too often it translates ministerial and media attitudes into regulatory burdens. The perception that the OfS lacks independence is not aided by the fact that the OfS Chair continues to take the whip of the governing party in the House of Lords, whilst simultaneously claiming that the organisation, as a regulator, is independent of the Government. This contrasts with the recent approach of several other Members in similar positions.

As for the Government, there is a perception that their guidance letters to the OfS are too prescriptive and unusually frequent. Meanwhile, further challenges have been created by political instability and ministerial churn: since 2018, the OfS has had to work with seven Education Secretaries and six Universities Ministers.

Overall conclusions

Across these different areas of the OfS' work, there are several common threads. The first is that its relationships with many of its key stakeholders are not satisfactory: this applies not only to providers and other bodies such as the QAA, but also to students, the very people whose interests it is supposed to defend. The OfS does not engage with its stakeholders as well as it should and, when it does, there is a perception that it gives insufficient attention to their feedback.

Moreover, the OfS' approach to regulation often seems arbitrary, overly controlling and unnecessarily combative. It has been selective in choosing which of its duties to prioritise, expanded its remit into new areas and created the impression that it seeks to control and micro-manage providers. Whether in its treatment of the QAA or its requests for data from providers, it is often unclear why the OfS does many of the things that it does.

Finally, from imposing spelling and grammar requirements on providers to its opaque approach to defining student interests, there have been too many examples of the OfS acting like an instrument of the Government's policy agenda rather than an independent regulator. It is vital that regulators have both real and perceived independence from Government, and the OfS has a lot of work to do on this.

Must do better: the Office for Students and the looming crisis facing higher education

CHAPTER 1: BACKGROUND

The Office for Students in context

1. The Office for Students (OfS) is the independent regulator of higher education in England and a non-departmental public body of the Department for Education (DfE). The OfS' stated mission is "to ensure that every student, whatever their background, has a fulfilling experience of higher education that enriches their lives and careers."¹
2. The OfS regulates a total of 425 universities, colleges and other higher education providers across England.² As the OfS stressed to us, the providers it regulates are diverse, including "big multi-faculty universities, small specialist institutions, private companies, and further education colleges offering foundation degrees and vocational courses tailored to specific industries."³
3. The OfS is a relatively new regulator. It was established under the Higher Education and Research Act 2017 (HERA), which sets out its statutory duties. It began operating in April 2018 and took on its key regulatory powers in August 2019.⁴
4. The OfS' approach to regulation is underpinned by the functions, duties and powers given to it by HERA. In summary, the OfS is required to have regard to institutional autonomy; quality and choice; competition; value for money; equality of opportunity; efficient use of its own resources; and best regulatory practice.⁵ We discuss these duties, and the extent to which they are clear and appropriate, in further detail in Chapter 2.
5. The OfS is also required to publish its regulatory framework, which sets out how it intends to perform its functions. The OfS must consult bodies that represent higher education providers and students when preparing the framework. Beyond this, however, the OfS largely has freedom to determine how to fulfil its functions. In their own words:

"Unlike other regulators, we do not have primary objectives set out in statute ... We have therefore used our regulatory framework to set out policy aims which we consider are consistent with the broad legislative aims of HERA."⁶

1 OfS, 'Our Strategy' (23 March 2022): <https://www.officeforstudents.org.uk/about/our-strategy/> [accessed 12 June 2023]

2 Education policy and regulation is devolved in the UK. The higher education sector is regulated in Scotland by the Scottish Funding Council, in Wales by the Higher Education Funding Council for Wales, and in Northern Ireland by the Department for the Economy.

3 Written evidence from the OfS ([WOS0001](#))

4 *Ibid.*

5 Higher Education Research Act 2017, [section 2](#)

6 Written evidence from the OfS ([WOS0001](#))

6. The OfS receives an annual guidance letter from the DfE which sets out their priorities for the coming year, and tells them how much funding to distribute to higher education providers. A framework document, agreed between the OfS and the DfE, sets out details on the governance and accountability framework that applies between OfS and the DfE.⁷

Box 1: The OfS and HEFCE

When it was established, the OfS inherited the funding responsibilities of the Higher Education Funding Council for England (HEFCE), which existed between 1992 and 2018. The OfS also inherited the Office for Fair Access’s responsibility for promoting fair access to higher education.

Although HEFCE was the OfS’ direct predecessor, we heard from many witnesses that the two organisations were quite different in character—the OfS themselves argued that HEFCE had not been a regulator per se.⁸ Sir Michael Barber, a former Chair of the OfS, also said that while HEFCE had been more akin to a “funding council”, the OfS was explicitly established as a regulator, adding that this change reflected a move away from providers being funded by HEFCE and towards being funded by tuition fee loans.⁹ Rt Hon Lord Johnson of Marylebone, former Minister for Universities, Science and Innovation, emphasised that the OfS was “a market regulator”.¹⁰

7. The OfS’ regulatory framework has already changed during its first few years of operation. Seven amendments between July 2020 and October 2022 are listed on their website, with a particular focus on student outcomes and quality and standards.¹¹ We discuss these changes, and their impact on the sector, in further detail in Chapter 7.
8. Higher Education providers are also regulated by other bodies, such as the Office of the Independent Adjudicator for Higher Education (OIA) and the Office for Standards in Education, Children’s Services and Skills (Ofsted); and cross-cutting regulators such as the Competition and Markets Authority (CMA) and UK Visas and Immigration (UKVI). We discuss this further in Chapter 2.

The higher education sector in context

9. Our inquiry took place against the backdrop of a series of challenges facing the higher education sector, particularly the impact of the COVID-19 pandemic, inflation and the cost-of-living crisis, the loss of EU research funding and ongoing industrial action. Witnesses to our inquiry emphasised this context: Chloe Field, Vice-President for Higher Education at the National Union of Students, said that “higher education is clearly in a crisis right now”, while

7 DfE, *Office for Students* (January 2023): https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1129117/OfS_framework_document.pdf [accessed 12 June 2023]

8 Written evidence from the OfS (WOS0001), Oxford Brookes University (WOS0023) and the Universities and Colleges Information Systems Association (WOS0041). See also QQ 20 and 23 (Lord Johnson of Marylebone), Q 30 (Sir David Eastwood), Q 116 (Lord Wharton of Yarm)

9 Q 1 (Sir Michael Barber)

10 QQ 19–20 and 25 (Lord Johnson of Marylebone)

11 OfS, ‘Securing student success: Regulatory Framework for higher Education in England’ (November 2022): <https://www.officeforstudents.org.uk/publications/securing-student-success-regulatory-framework-for-higher-education-in-england/> [accessed 12 June 2023]

Rachel Hewitt, Chief Executive of Million Plus, described “a very turbulent time since the OfS was first set up”.¹²

10. Particular concerns have been raised over the financial sustainability of business models in the sector. In March 2022, the National Audit Office found that higher education providers face “systemic” medium and long-term risks to their financial sustainability.¹³ In June 2022, the Public Accounts Committee of the House of Commons warned that “some providers are heavily reliant on income from overseas students’ fees to cross-subsidise research and other activities, leaving them potentially exposed to significant financial risks”.¹⁴
11. In their written evidence to this inquiry, the OfS identified financial challenges including rising costs, a real-terms decline in income from UK student fees (which have not risen with inflation), a reliance on income from overseas students and barriers to capital expenditure and affordable borrowing.¹⁵ Nevertheless, their most recent report in June 2022 concluded that the sector remains financially resilient in spite of these challenges.¹⁶ We discuss these issues, and the OfS’ response to them, in further detail in Chapter 3.

Our inquiry

12. Our inquiry into the work of the OfS was launched on 3 March 2023. The inquiry considered whether the statutory duties of the OfS are clear and examined its performance against those duties since its establishment. It looked at how the OfS’ regulatory framework has developed since its inception, its independence from and relationship with the Government and whether it has the necessary resources to carry out its functions. Overall, our inquiry focussed on the current work of the OfS, rather than wider questions about whether the current regulatory model for the higher education sector is correct from first principles.
13. The inquiry also looked at the OfS’ work in relation to the financial sustainability of the higher education sector. This included consideration of the extent of systemic financial risks in the sector, such as the reliance of some universities on overseas students, how the OfS considers and manages these risks, and the potential consequences of and processes for the failure of providers.
14. We held 14 oral evidence sessions with a total of 25 witnesses between March and May 2023, including representatives of universities and students, as well as former ministers and former OfS officials. This culminated in sessions with the current Chair of the OfS, Lord Wharton of Yarm, its Chief Executive, Susan Lapworth and the Minister for Skills, Apprenticeships and Higher Education at the DfE, Rt Hon Robert Halfon MP. We also received

12 [Q 62](#) (Chloe Field) and [Q 55](#) (Rachel Hewitt)

13 National Audit Office, ‘Regulating the financial sustainability of higher education providers in England’ (9 March 2022): <https://www.nao.org.uk/reports/regulating-the-financial-sustainability-of-higher-education-providers-in-england/> [accessed 12 June 2023]

14 Committee of Public Accounts, *Financial Sustainability of the higher education sector in England* (8th Report, Session 2022–23, HC 257)

15 Written evidence from the OfS ([WOS0001](#))

16 OfS, *Financial sustainability of higher education in England* (June 2022): https://www.officeforstudents.org.uk/media/445d176e-e61c-4e95-a76a-7acb7e5bb654/financial-sustainability-2022_corrected-sept-2022.pdf [accessed 12 June 2023]

62 pieces of written evidence, including submissions from both the OfS and the DfE.

15. We are grateful to Mike Ratcliffe, our Specialist Adviser, for his support during this inquiry, and to all our witnesses.

This report

16. The opening chapters of this report examine how the OfS has performed the duties specified in its remit. Chapter 2 examines whether the OfS' duties are clear and appropriate in principle and whether it has prioritised some duties over others in practice, as well as its other responsibilities. Chapter 3 examines the work of the OfS in the context of the financial sustainability of the higher education sector. Chapter 4 looks at how the OfS evaluates the value for money provided by higher education courses, while Chapter 5 considers the OfS' duties to promote quality, choice and opportunities for students, and to encourage competition between providers.
17. We also examine the OfS' work beyond the specific duties outlined in its remit. In Chapter 6, we examine how the OfS engages with students and the extent to which student priorities define its work. Chapter 7 assesses the regulatory framework used by the OfS, its relations with the higher education sector and its use of resources. Finally, in Chapter 8 we consider the extent to which the OfS is politically independent from the Government, as well as the Government's own role.
18. **We make this report for debate.**

CHAPTER 2: THE OFS' DUTIES AND DECISION-MAKING

OfS duties

19. Unlike some regulators, the OfS does not have a principal statutory objective or duty set out in legislation. Instead, HERA gives it several general duties which it must “have regard to” when performing its functions:
- the need to protect the institutional autonomy of English higher education providers;
 - the need to promote quality, and greater choice and opportunities for students, in the provision of higher education in England;
 - the need to encourage competition between English higher education providers where that competition is in the interests of students and employers;
 - the need to promote value for money in the provision of higher education;
 - the need to promote equality of opportunity in connection with access to, and participation in, higher education;
 - the need to use the OfS’ own resources efficiently;
 - so far as relevant, the principles of best regulatory practice.¹⁷
20. In addition to these general duties which the OfS must have regard to, the legislation also granted the OfS a number of more specific powers and functions. These include a requirement to monitor and report on the financial sustainability of most providers and the sector as a whole (discussed further in Chapter 3).¹⁸
21. There was a strong consensus among most witnesses that the OfS’ duties were clearly set out in legislation. Sir Michael Barber, the former Chair of the OfS, said he had never had concerns that the legislation was insufficiently clear on the OfS’ role.¹⁹ Vivienne Stern MBE, Chief Executive of Universities UK, agreed: “the remit of the OfS is clear. I do not think it is in dispute”.²⁰ For Alex Proudfoot, Chief Executive of Independent Higher Education, the legislation underpinning the OfS was “fundamentally sound”.²¹ This was supported by numerous written submissions.²²
22. A minority of witnesses disagreed. Sir David Eastwood, former Chief Executive of HEFCE and former Vice-Chancellor of the University of Birmingham and the University of East Anglia, felt that its remit had been “too narrow” and that its focus on students rather than the wider role of

17 Higher Education and Research Act 2017, [section 2](#)

18 *Ibid.*, [section 68](#)

19 [Q 1](#) (Sir Michael Barber)

20 [Q 48](#) (Vivienne Stern), [Q 79](#) (Anthony McClaran), [Q 48](#) (Vivienne Stern) and [Q 79](#) (Anthony McClaran)

21 [Q 54](#) (Alex Proudfoot)

22 Written evidence from the National Union of Students ([WOS0015](#)), Brunel University ([WOS0021](#)), the University of Southampton ([WOS0025](#)), the University of Plymouth ([WOS0026](#)), the Association of School and College Leaders ([WOS0030](#)), GuildHE ([WOS0035](#)) and the University of Bolton ([WOS0045](#))

universities was “conceptually flawed”.²³ Conversely, Vanessa Wilson, CEO of University Alliance, said that the remit had been large to begin with and in some cases “quite ambiguous and very ambitious”, which had been worsened as the OfS had expanded its remit over time (see paras 40–46).²⁴

23. Professor Simon Gaskell and Vicki Stott, respectively Chair and Chief Executive of the Quality Assurance Agency for Higher Education (QAA), highlighted the flexibility of HERA, which allowed for differing interpretations.²⁵ Similarly, Universities UK said that, while the duties were clear, “there will always be complexities in how these can be interpreted and prioritised.”²⁶
24. For the OfS, Lord Wharton said that the legislation gives the OfS “a clear job”, though not always an easy one. Susan Lapworth added: “we are clear about our role, we have appropriate flexibility and our job is clear.”²⁷
25. Both Alex Proudfoot and Rachel Hewitt, Chief Executive of MillionPlus,²⁸ said that, while they were supportive of the duties set out in legislation, there were challenges in how the OfS had implemented them.²⁹ Individual providers were also critical: the University of Plymouth said that the OfS’ success in performing its duties had been “mixed”, while the University of Huddersfield said that the OfS had “strayed significantly” from its duties.³⁰

OfS priorities

26. The OfS has a large degree of freedom to choose which of its duties it prioritises. In its written evidence to the Committee, the OfS stated that: “We take all our general duties into account as we make decisions about policy and individual cases, giving greater or lesser weight to them as we consider appropriate for that situation.”³¹ Susan Lapworth of the OfS also noted that the absence of a single statutory objective “means that we have quite a lot of flexibility to decide how we use our powers and what approach to take”.³²
27. The OfS also emphasises that it is only required to “have regard” to its duties, rather than to achieve them: for example, in a recent briefing on freedom of speech, it stated that having regard to institutional autonomy “does not mean that the OfS is required under its general duties to protect institutional autonomy”.³³

23 [Q 30](#) (Sir David Eastwood) and written evidence from Imperial College London ([WOS0059](#))

24 [Q 48](#) (Vanessa Wilson)

25 [Q 92](#) (Professor Simon Gaskell and Vicki Stott)

26 Written evidence from Universities UK ([WOS0034](#)) and the Association of School and College Leaders ([WOS0030](#))

27 [Q 114](#) (Susan Lapworth)

28 MillionPlus represents modern universities in the UK.

29 [Q 54](#) (Alex Proudfoot and Rachel Hewitt)

30 Written evidence from the University of Plymouth ([WOS0026](#)) and the University of Huddersfield ([WOS0019](#))

31 Written evidence from the OfS ([WOS0001](#))

32 [Q 114](#) (Susan Lapworth)

33 OfS, *Freedom to question, challenge and debate* (December 2022): <https://www.officeforstudents.org.uk/media/8a032d0f-ed24-4a10-b254-c1d9bfcfe8b5/insight-brief-16-freedom-to-question-challenge-and-debate.pdf> [accessed 11 July 2023]

28. Several witnesses were concerned that the OfS had deprioritised its duty to have regard to institutional autonomy.³⁴ Brunel University said that it was “difficult to see that the OfS has done anything to protect institutional autonomy”, adding, “the guidance on the publication of information, free speech, and the consultation on regulating sexual assault and harassment all arguably erode autonomy.”³⁵ In a similar vein, GuildHE said the OfS had not got the balance right between “the need to protect institutional autonomy and to have regard to guidance from Ministers”.³⁶ The OfS’ English language requirements were also cited by some witnesses as undermining institutional autonomy.³⁷
29. Under HERA, the OfS should also have regard to best regulatory practice, including the principles that regulatory activities should be transparent, accountable, proportionate, consistent, and targeted only where action is needed.³⁸ However, witnesses felt that the OfS had fallen short here too. The Russell Group said that in practice, “regulatory activities continue to expand, adding unnecessary and unintended burden on low-risk providers”.³⁹
30. Most regulators are required to comply with the Regulator’s Code, and the OfS has stated in its regulatory framework that it will do so.⁴⁰ However, in its written evidence submission, it emphasised that this is an obligation “to ‘have regard’ to relevant matters rather than to seek to achieve them in practice”.⁴¹ Shakespeare Martineau LLP, a law firm which focuses on higher education, said that this approach “demonstrates the OfS’ unwillingness to observe principles of good regulation that other regulators appear to embrace”.⁴² The Russell Group also called for the OfS to seek “closer alignment with the Code” by taking a more proportionate and evidence-based approach to regulation.⁴³
31. Some witnesses also argued that the OfS had not adhered to the duty to use its resources efficiently. GuildHE said that its members “consistently raise issues with a lack of communication and timely action”, while the Russell Group said that, despite increases in provider fees, it was “unclear how the OfS is scrutinising its own costs and using its resources in an efficient and effective way”.⁴⁴ We discuss this further in Chapter 7.

34 Written evidence from Shakespeare Martineau LLP ([WOS0008](#)) and the Cathedrals Group of Universities ([WOS0022](#))

35 Written evidence from Brunel University ([WOS0021](#))

36 Written evidence from GuildHE ([WOS0035](#))

37 [Q 96](#) (Nicola Owen), written evidence from Professor Elizabeth Molyneux ([WOS0003](#)) and the University of Huddersfield ([WOS0019](#))

38 Higher Education and Research Act 2017, [section 2](#)

39 Written evidence from the Russell Group ([WOS0016](#)), the University of Huddersfield ([WOS0019](#)) and GuildHE ([WOS0035](#))

40 The Regulators’ Code is a framework for how regulators should engage with those they regulate. It came into statutory effect on 6 April 2014 under the Legislative and Regulatory Reform Act 2006. Office for Product Safety and Standards, ‘Regulators’ Code’ (6 April 2014): <https://www.gov.uk/government/publications/regulators-code> and OfS, *Securing student success: Regulatory framework for higher education in England* (24 November 2022): https://www.officeforstudents.org.uk/media/1231efe3-e050-47b2-8e63-c6d99d95144f/regulatory_framework_2022.pdf [accessed 11 July 2023]

41 Written evidence from the OfS ([WOS0001](#))

42 Written evidence from Shakespeare Martineau LLP ([WOS0008](#)) and the Association of Heads of University Administration ([WOS0060](#))

43 Written evidence from the Russell Group ([WOS0016](#))

44 Written evidence from GuildHE ([WOS0035](#)) and the Russell Group ([WOS0016](#))

32. Shakespeare Martineau LLP felt that these shortcomings were symptomatic of wider issues with the OfS' approach:

“The problem is that if the OfS does not appear to consider itself obliged to demonstrate that it is achieving the statutory objectives in practice, but merely to think about the importance of doing so, there is no framework within which to judge whether the OfS is appropriately complying with its statutory duties. All it has to do is to say that it has taken the duties into account, even while adopting regulatory measures that appear not to meet the duties.”⁴⁵

33. For the OfS, Susan Lapworth argued that there was “no hierarchy” between its different duties: “It is not the case that one is more important than any of the others. Our job is to consider them in turn and balance them as we think appropriate”. She cited two examples in support of this view, arguing that when the OfS updated its requirements for quality it had given “more weight to quality and choice than we did to institutional autonomy”, whereas she argued it had prioritised institutional autonomy when it implemented its condition of registration during the pandemic.⁴⁶
34. **It is claimed that the OfS' statutory duties are clearly set out in legislation, but they have been applied inconsistently and unequally. Given that the OfS' duties are “have regard to” duties, with no sense of priorities, the regulator, and by extension the Government, have a large degree of freedom in choosing what to focus on. In our view, this creates confusion over the OfS' objectives.**
35. **In particular, the OfS does not appear to have prioritised its duties to protect the institutional autonomy of providers or to have regard to the principles of best regulatory practice, causing friction between the regulator and the sector.**
36. **Moreover, the OfS appears to believe that having regard to its duties does not require it to demonstrate that it has given weight to the underlying objectives of those duties. This makes it more difficult for the OfS to be held accountable for its compliance with its duties.**
37. *When making changes to its regulatory framework, the OfS should make clear how it has taken its statutory duties into account, and where it has not done so, explain why. It is particularly important that clear reasons are given for any limitation of institutional autonomy.*
38. *The OfS should improve its adherence to best regulatory practice through closer alignment with the Regulators' Code. It should do so with respect to how it implements its policies and procedures, as well as how it develops them.*
39. *The Government should consider whether the OfS should be required to demonstrate that it has taken account of particular objectives, rather than merely stating that it has regard to them.*

45 Written evidence from Shakespeare Martineau LLP ([WOS0008](#))

46 [Q 114](#) (Susan Lapworth)

Additional OfS activities

40. In addition to its statutory duties, the OfS has become increasingly active in regulating the sector in other areas, including protecting freedom of speech and tackling sexual harassment. The OfS' actions in these areas are set out in the boxes below.

Box 2: The OfS and freedom of speech

The OfS' regulatory framework sets out that providers should uphold "public interest governance principles". These may include, among other matters, "support for freedom of speech or academic freedom".⁴⁷ According to the OfS' website, this means that "when a university or college registers with us, we will make sure its governing documents uphold freedom of speech" and that the regulator can "intervene and apply sanctions" if a provider is not meeting these standards.⁴⁸

The Higher Education (Freedom of Speech) Act 2023, which received Royal Assent on 11 May 2023, is expected to⁴⁹ enhance the role of the OfS in this area by:

- Adding additional duties to "promote the importance of freedom of speech within the law in the provision of higher education" and to "protect the academic freedom of academic staff";⁵⁰
- Giving the Secretary of State the power to require the OfS to report on these matters;⁵¹
- Adding new mandatory registration conditions for providers relating to freedom of speech and academic freedom;⁵²
- Allowing the OfS to regulate students' unions in relation to freedom of speech;⁵³
- Establishing a complaints system for freedom of speech;⁵⁴
- Creating the role of Director for Freedom of Speech and Academic Freedom at the OfS, as a member of the OfS Board.⁵⁵

On 1 June 2023, Professor Arif Ahmed was appointed the first Director for Freedom of Speech and Academic Freedom at the OfS.⁵⁶

47 OfS, *Securing student success: Regulatory framework for higher education in England* (24 November 2022): https://www.officeforstudents.org.uk/media/1231efe3-e050-47b2-8e63-c6d99d95144f/regulatory_framework_2022.pdf [accessed 11 July 2023]

48 OfS, 'Freedom of Speech': <https://www.officeforstudents.org.uk/advice-and-guidance/student-wellbeing-and-protection/freedom-of-speech/what-can-we-do/> [accessed 11 July 2023]

49 Not all provisions of the Act entered into force when it received Royal Assent. Some provisions will enter into force as and when the Secretary of State makes regulations for that purpose.

50 Higher Education (Freedom of Speech) Act 2023, [section 5](#), para 1

51 *Ibid.*, [section 5](#), para 2

52 *Ibid.*, [section 6](#)

53 *Ibid.*, [section 7](#)

54 *Ibid.*, [section 8](#)

55 *Ibid.*, [section 10](#)

56 DfE, 'University Freedom of Speech Bill becomes law' (1 June 2023): <https://www.gov.uk/government/news/university-freedom-of-speech-bill-becomes-law> [accessed 11 July 2023]

Box 3: The OfS and sexual harassment

The OfS has recently consulted on a new approach to regulating harassment and sexual misconduct at higher education providers. It proposed imposing a new condition of registration, including requiring providers to publish their approach to protecting students from harassment and their arrangements for handling such incidents, as well as regulatory requirements in relation to personal relationships between students and staff. The consultation ran from 24 February 2023 to 4 May 2023 and the results will be published “later this year”.

Source: OfS, *Consultation on a new approach to regulating harassment and sexual misconduct in English higher education: (23 February 2023)*: <https://www.officeforstudents.org.uk/media/292f4ba4-0938-4bf3-a9b8-bde76f663185/harassment-and-sexual-misconduct-consultation-2023-final.pdf> [accessed 11 July 2023]

41. Giving examples of the OfS’ expanding responsibilities, Rt Hon Charles Clarke, a former Secretary of State for Education, cited “unexplained grade inflation, harassment and sexual misconduct, mental health and wellbeing, freedom of speech and increasing the diversity of provision”. He argued that some of these areas are covered by the law “and should be dealt with by the law of the land”.⁵⁷ Independent Higher Education described this expansion of responsibilities as “mission creep”.⁵⁸
42. Similarly, the Royal Veterinary College said that some of the additions to the OfS’ remit “are much wider societal and political issues and are not solvable by monitoring and regulation”, adding that they “detract” from the core mission of the OfS and “spread resources too thinly”.⁵⁹ For Vivienne Stern, the OfS has “accreted new responsibilities” due to a “tendency to treat the OfS as a bit like a Christmas tree”. In particular, Stern felt that freedom of speech “should not be the core remit of the regulator”.⁶⁰
43. Anthony McClaran, Vice-Chancellor of St Mary’s University, Twickenham and Chair of GuildHE, said that the Australian regulator, the Tertiary Education Quality and Standards Agency (TEQSA), was reviewed within a year of its establishment due to “enormous concern about excessive complexity, regulatory burden, and failure to communicate adequately or consistently” with providers, noting that many of the concerns of the sector about the OfS “are quite similar”. The review led “to a very significant cutting back of TEQSA’s duties”, with a refocus on “those that were really important”.⁶¹
44. Anthony McClaran felt that “there was a legitimate role” for the regulator in relation to issues like sexual harassment and freedom of speech, arguing that “it is legitimate for the regulator to take a sector-wide view of some of the sector-wide problems”. He argued that “the answer is not necessarily always to ... approach the matter purely in punitive terms”, suggesting that the regulator could instead “draw together good practice”.⁶²

57 [Q 18](#) (Rt Hon Charles Clarke)

58 Written evidence from Independent Higher Education ([WOS0065](#)). See also written evidence from the University of Huddersfield ([WOS0019](#)) and Universities UK ([WOS0034](#)).

59 Written evidence from the Royal Veterinary College ([WOS0055](#))

60 [QQ 48 and 51](#) (Vivienne Stern)

61 [Q 79](#) (Anthony McClaran)

62 [Q 85](#) (Anthony McClaran)

45. For the OfS, Susan Lapworth acknowledged that the sector feels the regulator should “not work on things like mental health, harassment and sexual misconduct and students’ consumer rights”. She argued, however, that “those are the things that students are most likely to tell us matter most to them” and argued that the OfS has to “find a sensible route through the middle”. She explained that the OfS had published a “voluntary statement of expectations” on harassment and sexual misconduct and asked the sector to self-regulate, and that progress had “not been sufficient or fast enough”, meaning that there is a “compelling case” for “sharper, more detailed regulation”.⁶³
46. Universities UK pointed out that the OfS will be subject to a Public Bodies Review in 2023–24⁶⁴ as part of the Cabinet Office’s Public Bodies Review Programme, launched in April 2022.⁶⁵ Public Bodies Reviews aim to provide reassurance that a public body’s work remains useful and necessary, that its relationship with the sponsoring department is appropriate, and that it “is operating with a clear purpose and using an appropriate delivery model”.⁶⁶
47. **The OfS has now become involved in the micro-management of issues such as freedom of speech and sexual harassment. While undoubtedly important, these matters would be better dealt with by effective review of provider governance and disseminating best practice rather than through prescriptive regulatory requirements and time-consuming processes.**
48. *We note that the Government is committed to a public body review of the OfS. As well as considering whether the OfS’ work remains useful and necessary, the Government should review the activities of the OfS with a view to focusing on the strategic issues facing the sector.*

Cooperation with other regulators

49. As set out in Chapter 1, the OfS is not the only regulator in the higher education sector. Providers also have to comply with other regulators, in particular:
- The Office of the Independent Adjudicator for Higher Education (OIA), an independent body set up to review student complaints about higher education providers in England and Wales.
 - The Education and Skills Funding Agency (ESFA), which has overall accountability for the quality of apprenticeships.
 - The Office for Standards in Education, Children’s Services and Skills (Ofsted). Although traditionally associated with children and schools, in 2021 Ofsted also became responsible for the inspection of

63 [Q 116](#) (Susan Lapworth)

64 Written evidence from Universities UK ([WOS0034](#))

65 Cabinet Office, ‘Public Bodies Review Programme’ (20 July 2023): <https://www.gov.uk/government/publications/public-bodies-review-programme> [accessed 30 June 2023]

66 Cabinet Office, ‘Guidance on the undertaking of Reviews of Public Bodies’ (20 July 2023): <https://www.gov.uk/government/publications/public-bodies-review-programme/guidance-on-the-undertaking-of-reviews-of-public-bodies#purpose-of-alb-reviews> [accessed 12 July 2023]

apprenticeship provision at all levels, including at universities and other OfS-registered providers, on behalf of ESFA.⁶⁷

- The Institute for Apprenticeships and Technical Education (IfATE), which is responsible for apprenticeship standards development, review and approval.
 - The Office of Qualifications and Examination Regulation (Ofqual), which regulates qualifications, examinations and assessments in England, including vocational and technical qualifications and apprenticeship end-point assessments.
50. In addition, providers often have to work with other, cross-cutting regulators, including the Competition and Markets Authority (CMA), UK Visas and Immigration (UKVI), the Information Commissioner’s Office (ICO), and the Health and Safety Executive (HSE).⁶⁸ For example, on 31 May 2023, the CMA issued updated guidance to higher education providers on complying with consumer protection law.⁶⁹
51. GuildHE told the Committee that its members “routinely raise the complexity and regulatory duplication”, adding that “the Regulators Code outlines the principle that ‘Regulators should collectively follow the principle of collect once, use many times’. This is not happening.”⁷⁰ Similarly, University Alliance called for “a co-regulatory approach between OfS and other regulators” to reduce “unnecessary duplication and red tape”.⁷¹ Dr Lavinia Mitton, a Senior Lecturer in Social Policy at the University of Kent, argued that there was a particular problem with apprenticeships, where “regulation has become fragmented and duplicated with responsibilities lying between multiple bodies”.⁷²
52. Anthony McClaran highlighted obstacles to cooperation between regulation: “the frameworks that the respective regulators are asked to work to are so different in their approach ... that it is very difficult to dovetail requirements”.⁷³
53. The Minister was clear that he shared these concerns, saying he had an issue with “the preponderance of regulators ... it is a cast of thousands”. He told the Committee that he was “doing a lot of work on that because I would like a much more streamlined system”, describing this process as “Operation Machete”.⁷⁴
54. **The proliferation of regulators in the higher education sector has caused duplication and red tape, increasing the burdens on providers—particularly in the area of graduate apprenticeships, where at least four other regulators have responsibilities in addition**

67 OfS, ‘Degree apprenticeships for higher education providers’ (21 February 2022): <https://www.officeforstudents.org.uk/advice-and-guidance/skills-and-employment/degree-apprenticeships/degree-apprenticeships-for-providers/checking-the-quality-of-apprenticeships/> [accessed 12 June 2023]

68 [Q 95](#) (Nicola Owen)

69 Competition and Markets Authority, *UK higher education providers – advice on consumer protection law* (31 May 2023): https://assets.publishing.service.gov.uk/media/6475b2f95f7bb7000c7fa14a/Consumer_law_advice_for_higher_education_providers_.pdf [accessed 16 June 2023]

70 Written evidence from GuildHE ([WOS0035](#))

71 Written evidence from University Alliance ([WOS0040](#))

72 Written evidence from Association of Colleges ([WOS0050](#))

73 [Q 86](#) (Anthony McClaran)

74 [Q 143](#) (Robert Halfon MP)

to the OfS. This issue is exacerbated by the apparent lack of effective collaboration between regulators.

55. *We welcome the Minister's recognition of the problems created by regulatory duplication in the higher education sector and his willingness to address this issue. In its response to this report, the Department for Education should set out in further detail the steps it is taking to streamline regulatory responsibilities within the sector, including its proposed timetable for this.*

CHAPTER 3: FINANCIAL SUSTAINABILITY

56. Under HERA, the OfS “must monitor the financial sustainability” of most registered higher education providers. The OfS must also annually report on financial sustainability.⁷⁵
57. In its written submission, the OfS explained that its work on financial sustainability includes monitoring individual providers, gathering intelligence, and taking regulatory action “where providers fall into significant difficulty”. The OfS set out that “to register and stay registered with the OfS, each provider must show that it is financially viable and sustainable”.⁷⁶
58. The Government also plays a critical role in the financial sustainability of the sector. As noted by the OfS, “Ministers decide on any changes to the system of fees and funding ... and other relevant policy matters such as the rules for visas for international students”.⁷⁷

The financial situation of the sector and the risks it faces

59. In March 2022, the National Audit Office (NAO) published a report on *Regulating the financial sustainability of higher education providers in England*, finding that the number of providers facing short-term risks to their financial sustainability is “small but not insignificant”. The NAO found that the medium and long-term risks facing the sector are systemic and exist across the sector.⁷⁸
60. In June 2022, the Public Accounts Committee published a report on the *Financial sustainability of the higher education sector in England*, following on from the NAO’s report. The Committee said that it was “not convinced that the OfS has made sufficient progress in getting a grip on the long-term systemic challenges facing the sector and individual providers”.⁷⁹
61. The OfS published its annual report on financial sustainability on 18 May 2023. The report found that the aggregate financial position of providers registered with it “remains sound, although there is significant variation”.⁸⁰ The OfS was “not currently concerned about the short-term viability of most providers” but noted “an increasing financial sustainability risk for some providers in the longer-term”.⁸¹
62. In its written evidence to the Committee, the OfS set out a number of “continuing and emerging systemic risks facing the sector”, including:
- rising costs, including in relation to pay, pension costs, energy bills and inflation;

75 Higher Education and Research Act 2017, [section 68](#)

76 Written evidence from the OfS ([WOS0001](#))

77 *Ibid.*

78 National Audit Office, *Regulating the financial sustainability of higher education providers in England* (March 2022): <https://www.nao.org.uk/reports/regulating-the-financial-sustainability-of-higher-education-providers-in-england/> [accessed 13 July 2023]

79 Public Accounts Committee, *Financial sustainability of the higher education sector in England* (Eighth Report, Session 2022–23, HC 257)

80 OfS, ‘Financial sustainability of higher education providers in England - 2023 update’ (May 2023): <https://www.officeforstudents.org.uk/publications/financial-sustainability-of-higher-education-providers-in-england-2023-update/> [accessed 12 June 2023]

81 *Ibid.*, p 4

- the real-terms decline in the value of undergraduate fees for UK students, which have not risen with inflation;
 - a reliance on income from overseas students to fund other activities, such as research;
 - the ability of the sector to access affordable borrowing;
 - capital expenditure and maintenance of higher education estates,
 - competitive pressures between providers.⁸²
63. Universities UK’s Vivienne Stern said that the financial difficulties of some universities “will restrict their ability to invest in facilities”.⁸³ OfS Chair Lord Wharton of Yarm said that the maintenance and improvement of facilities and buildings is “an ongoing challenge”.⁸⁴

Tuition fees and inflation

64. There are two main elements of public spending on higher education: direct funding for teaching and research, and student loans. The Minister explained that, in total, higher education providers receive approximately £40 billion in public funding.⁸⁵ Following student finance reforms in 2012 that increased the level of UK undergraduate tuition fees from £3,000 per year to £9,000 per year, student loans rather than direct spending represent a large majority of this figure. In 2017, the tuition fee cap was raised to £9,250 and was intended to rise in line with inflation thereafter. However, in 2018 fees were frozen at £9,250 and have remained there since.⁸⁶
65. The DfE’s written submission stated that “this government is clear that financial sustainability of the higher education sector is essential to the future success of our economy and society”. The DfE noted that “Government funding policy and the OfS’ regulatory approach are clearly important factors” in financial sustainability.⁸⁷
66. In 2018, the Government launched the independent Review of Post-18 Education and Funding. An independent panel chaired by Sir Philip Augar reported to the review and made a number of recommendations for reform in May 2019, including reducing the tuition fee cap to £7,500 per year, with the lost fee income replaced by increasing teaching grants. The review also suggested that the fee cap should be frozen until 2022/23, then increased in line with inflation from 2023/24.⁸⁸
67. In February 2022, the DfE ran its higher education policy statement and reform consultation. This set out its response to the independent panel’s recommendations in relation to higher education and proposed a number of reforms, including in relation to student number controls, minimum eligibility requirements, and tackling “the rising cost of the system to taxpayers, while

82 Written evidence from the OfS ([WOS0001](#))

83 [Q 52](#) (Vivienne Stern)

84 [Q 129](#) (Lord Wharton of Yarm)

85 [Q 132](#) (Robert Halfon MP)

86 House of Commons Library, ‘Higher education funding in England’, Research Briefing [CBP 7393](#), January 2021

87 Written evidence from the DfE ([WOS0061](#))

88 DfE, *Independent panel report: post-18 review of education and funding* (30 May 2019): <https://www.gov.uk/government/publications/post-18-review-of-education-and-funding-independent-panel-report> [accessed 13 June 2023]

reducing debt levels for students and graduates”. The response disagreed with the proposal to reduce the home undergraduate tuition fee cap to £7,500 per year, instead announcing the cap would be frozen at £9,250 until 2025.⁸⁹

68. Since this publication, the Government has changed how student loans are repaid, reducing the interest rate paid but extending the repayment term for students entering their courses in the 2023/24 academic year onwards.⁹⁰ The Government’s response to the higher education policy statement and reform consultation in July 2023 announced that it would lower the fee cap for classroom-based foundation years provision to £5,760. However, it did not set out a substantial change to the funding model for providers more broadly.⁹¹
69. The University of Huddersfield noted that policy change “has been slow to be enacted”, creating “a vacuum”.⁹² Universities UK said that “a lack of clarity on long-term policy direction ... makes it challenging for institutions to plan for their financial future”.⁹³
70. In its 2023 report on financial sustainability, the OfS said that “the real-term value of the fixed fee level for UK undergraduate students has decreased”, while the costs of staff, maintenance, goods and services have increased. The OfS noted that if this continues over a longer-term period, “it will continue to put pressure on the financial performance of providers”, potentially threatening their sustainability.⁹⁴
71. Universities UK, a body representing 140 universities across the UK, argued that the £9,250 annual tuition fee for UK undergraduate students “is now only worth around £6,600” in real terms “and will erode further” due to record levels of inflation.⁹⁵ University Alliance, a body representing 16 professional and technical universities, argued that the “main systemic risk” for the sector is that its primary source of income “is capped by government and hasn’t increased since 2017”.⁹⁶
72. The Russell Group, representing 24 research universities in the UK, estimated that universities are now subsidising the teaching of domestic students by £1,750 per student per year as tuition fees no longer cover the costs of teaching. This is projected to increase to £4,000 by 2024–25, “equivalent to 43% of the current standard tuition fee”. The Group estimated that by 2024–25, per student funding will be lower than in 2011–12, before higher fees were introduced, representing less than £3,375 per annum in real terms.⁹⁷

89 DfE, ‘Higher education policy statement and reform’ (February 2022): <https://www.gov.uk/government/consultations/higher-education-policy-statement-and-reform> [accessed 13 June 2023]

90 The Education (Student Loans) (Repayment) (Amendment) (No. 4) Regulations 2022 ([SI 2022/1135](https://www.gov.uk/government/legislation/si-2022-1135))

91 DfE, *Higher education policy statement and reform: Government consultation response* (July 2023): https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1170673/Higher_education_policy_statement_and_reform_-_government_consultation_response.pdf [accessed 17 July 2023]

92 Written evidence from the University of Huddersfield ([WOS0019](#))

93 Written evidence from Universities UK ([WOS0034](#))

94 OfS, ‘Financial sustainability of higher education providers in England - 2023 update’ (May 2023), p 10: <https://www.officeforstudents.org.uk/publications/financial-sustainability-of-higher-education-providers-in-england-2023-update/> [accessed 12 June 2023]

95 Written evidence from Universities UK ([WOS0034](#))

96 Written evidence from University Alliance ([WOS0040](#))

97 Written evidence from the Russell Group ([WOS0016](#))

73. The Russell Group argued that universities have made efficiencies, including centralising decision-making and services, automating processes and sharing campuses, residences and equipment. However, it emphasised that it was not possible to make these efficiencies at scale over time “without negatively impacting teaching, research and the student experience”.⁹⁸
74. Professor Neal Juster, Vice-Chancellor of the University of Lincoln, argued that the freeze in tuition fees has “put huge pressure on the system”. He noted that “there is a lot of cross-funding from other activities to try to ensure that the quality in the classroom stays the same” but emphasised that it is “a difficult job”.⁹⁹
75. Vivienne Stern of Universities UK argued that the current freeze on domestic teaching funding is “unsustainable” and that the consequences of this are “staff-to-student ratios going up and universities posting deficits”. She added that “you can probably get away with it for a few years because the university sector is pretty resilient” but that if the situation continues, universities will be in “real trouble”.¹⁰⁰
76. The University of Kent argued that the funding squeeze “means that universities are having to cut back on courses that they offer, potentially leading to ‘subject deserts’ in some parts of the country”.¹⁰¹ The University of Huddersfield agreed, and also expressed concern that escalating costs, without any growth in funding, drive “an efficiency agenda with potential detriment for high-cost subjects”, such as in STEM.¹⁰²
77. Erica Conway, Chief Financial Officer at the University of Birmingham and Chair of the British Universities Finance Directors Group, said that for small and specialist institutions, the response to these pressures is “about significant cost control and probably a reduction in the offer”. For larger institutions, it is about “diversification of income”.¹⁰³
78. Erica Conway added that although reserves and cash holdings “look large in many institutions”, they represent “relatively small amounts of expenditure ... between three and four months’ worth of cash”. She warned that there were “probably 10 or 15 institutions across the sector” that would be on banks’ “watchlists”.¹⁰⁴
79. A large number of submissions from higher education providers indicated the need, in the words of the University of Sunderland, for “policy change and further clarity to ensure the financial sustainability of the higher education sector”.¹⁰⁵ University Alliance argued that “the higher education funding

98 Written evidence from the Russell Group ([WOS0016](#)) and the University of Southampton ([WOS0025](#))

99 [Q 45](#) (Professor Neil Juster)

100 [Q 48](#) (Vivienne Stern MBE)

101 Written evidence from the University of Kent ([WOS0013](#))

102 Written evidence from the University of Huddersfield ([WOS0019](#))

103 [Q 102](#) (Erica Conway)

104 [QQ 102 and 104](#) (Erica Conway)

105 Written evidence from the University of Westminster ([WOS0007](#)), University of Huddersfield ([WOS0019](#)), University of Plymouth ([WOS0026](#)), the Association of School and College Leaders ([WOS0030](#)), Universities UK ([WOS0034](#)), University of Suffolk ([WOS0036](#)), Dr Dave Hitchcock, with Dr Sylvia de Mars and Dr Emma Kennedy ([WOS0038](#)), the University of Sunderland ([WOS0052](#)), MillionPlus ([WOS0042](#)) and the University of Bolton ([WOS0045](#))

system should be reviewed”.¹⁰⁶ The Russell Group argued that the sector and government should “come together and look at a new funding formula”.¹⁰⁷

80. GuildHE argued that “the key clarity” that would support financial sustainability would be for “major changes to government policy and funding to be set and agreed on a multi-year cycle so that institutions are able to better plan over a longer period rather than needing to react all the time”.¹⁰⁸
81. Universities UK explained that while “the financial sustainability of providers is primarily determined by the institutions themselves”, their reliance on capped tuition fees and public funding for research means that “government policy has a significant impact on their ability to balance the books”.¹⁰⁹ This sentiment was reflected by a number of other submissions, including from GuildHE, noting that “government policy and funding remains the key uncertainty as it can change rapidly”.¹¹⁰
82. Lord Wharton, Chair of the OfS, argued that “overall, the sector’s finances are in good shape”, while noting “significant variation with some individual providers in less robust shape than others”. He also said that “financial performance is forecast by most providers to reduce significantly in the short term as cost pressures mount”.¹¹¹
83. Lord Wharton said that the Government controls “significant parts of the funding environment for the sector directly or indirectly”, including deciding “the shape of the undergraduate funding system and the balance between student and taxpayer contributions”. He emphasised that “they are matters for the Government, not the OfS”.¹¹²
84. The Minister recognised that there are financial challenges for universities but emphasised that the nearly £40 billion in annual public funding that the sector receives is “not a small sum of money” in the current context. He also argued that during a cost-of-living crisis, “the last thing I can do is go and tell students that we are going to raise their tuition fees”. He suggested that financial issues in some institutions “may be down to the management and leadership of that particular university rather than the funding system”.¹¹³
85. The Minister said that it “may be right” that the funding of universities and their business model “should be done differently”. However, he did “not think that the model is wrong” and said that “given everything else that is going on in the economy and the public sector, HE is in a fairly strong position”.¹¹⁴
86. The Minister told the Committee that 72% of universities are in “good financial health”.¹¹⁵ He stressed the difficult situation facing the wider

106 Written evidence from University Alliance ([WOS0040](#))

107 Written evidence from the Russell Group ([WOS0016](#))

108 Written evidence from GuildHE ([WOS0035](#))

109 Written evidence from Universities UK ([WOS0034](#))

110 Written evidence from GuildHE ([WOS0035](#)), University of Huddersfield ([WOS0019](#)), the Cathedrals Group of Universities ([WOS0022](#)), University of Plymouth ([WOS0026](#)), London Higher ([WOS0028](#)), University Alliance ([WOS0040](#)), MillionPlus ([WOS0042](#)), University of Bolton ([WOS0045](#)), University of Sunderland ([WOS0052](#)) and Imperial College London ([WOS0059](#))

111 [Q 129](#) (Lord Wharton of Yarm)

112 [Q 130](#) (Lord Wharton of Yarm)

113 [QQ 132–133 and 135](#) (Robert Halfon MP)

114 [QQ 135–136](#) (Robert Halfon MP)

115 Supplementary written evidence from Robert Halfon MP ([WOS0071](#))

economy and the public finances and argued that higher education “is not doing too badly financially”.¹¹⁶

87. The Government’s intention is that from 2025, the current systems for student finance will be replaced by the Lifelong Loan Entitlement (LLE). We discuss this further in paras 258–264.

International students

88. In its 2023 report on financial sustainability, the OfS recognised “the significant role” that fees from international students, which unlike domestic tuition fees are not capped, have in the financial model of many providers. The OfS argued that overreliance on overseas fees “remains a vulnerability for some providers” and that the sector “continues to rely on recruitment of students from China”, meaning that any geopolitical or other event that reduces the flow of these students “could have a significant impact”.¹¹⁷ OfS statistics show that in 2021–22, China was the leading source country for overseas students, making up 22.3% of total overseas students.¹¹⁸
89. The report also found that “a number of providers are forecasting significant growth in overseas student numbers”, outlining the regulator’s expectation that providers relying on overseas students will “have contingency plans” if the flow of such students is interrupted.¹¹⁹ The OfS has written to 23 providers with high levels of recruitment of students from China to ensure they have contingency plans in place.¹²⁰
90. On 17 August 2023, the University and Colleges Admissions Service (UCAS) published statistics showing that 51,210 international students had been accepted by UK universities and colleges for the 2023–24 academic year, a 2.3% reduction on the previous year. China was the country with the largest number of placed applicants, with 11,630 acceptances. However, this was a reduction from the 13,180 students from China accepted in 2022.¹²¹
91. Professor Susan Lea, former Vice-Chancellor of the University of Hull, explained that providers were using the international market to replace the shortfall in funding for domestic students, as a way of managing their finances.¹²² Vivienne Stern suggested that this is “a vulnerable income stream”.¹²³ Charles Clarke, the former Secretary of State for Education, also raised concerns that relying on cross-subsidy from international students was “not sustainable” as “countries around the world are building strong, world-class universities themselves”.¹²⁴ According to a global league table

116 [Q 133](#) (Robert Halfon MP)

117 OfS, ‘Financial sustainability of higher education providers in England - 2023 update’ (May 2023), p 9: <https://www.officeforstudents.org.uk/publications/financial-sustainability-of-higher-education-providers-in-england-2023-update/> [accessed 12 June 2023]

118 *Ibid.*, p 20

119 *Ibid.*, p 9

120 OfS, ‘University finances generally in good shape, but risks include over-reliance on international student recruitment’ (18 May 2023): <https://www.officeforstudents.org.uk/news-blog-and-events/press-and-media/university-finances-generally-in-good-shape-but-risks-include-over-reliance-on-international-recruitment/> [accessed 13 July 2023]

121 University and Colleges Admissions Service, ‘79% of UK 18-year old applicants receiving results gain place at first choice university’ (August 2023): <https://wwwucas.com/corporate/news-and-key-documents/news/79-uk-18-year-old-applicants-receiving-results-gain-place-first-choice-university> [accessed 29 August 2023]

122 [Q 37](#) (Professor Susan Lea)

123 [Q 48](#) (Vivienne Stern)

124 [Q 26](#) (Rt Hon Charles Clarke)

published by the Centre for World University Rankings (CWUR), nearly 60% of top UK universities fell down the CWUR's rankings in 2022–2023. The CWUR attributed this to “intensified global competition from well-funded institutions, particularly from China”.¹²⁵

92. Dame Nicola Dandridge, a former Chief Executive of the OfS, suggested that the imbalance in fees between domestic and international students “undoubtedly builds an incentive” in terms of allocating places to students.¹²⁶
93. The former Minister for Universities Lord Johnson, on the other hand, argued that it is “a great benefit” to be able to attract international students, who generate “£25 billion of annual exports”. He said that “the idea that we want fewer international students mystifies me”.¹²⁷ Vivienne Stern said that the UK is “unbelievably fortunate to be the kind of place where people want to spend their formative years”, adding that universities and students “benefit enormously” from international students.¹²⁸ Sir Michael Barber, the former Chair of the OfS, said that high numbers of international students do not concern him “as long as the student experience is strong and the overseas students are not pushing out domestic students”.¹²⁹
94. The Minister also emphasised that “76% of students are not international students” and that he is “actually very supportive of international students”. He said that “they help with the finances” and “are examples of soft power”, stressing that he does “not see having too many international students as a risk”. He did not think there was “dependency” on international students.¹³⁰
95. On 23 May 2023, the Government announced proposals to restrict the ability of international students to bring family members on “all but post-graduate research routes” and to ban people from using a student visa “as a backdoor route to work in the UK”.¹³¹ However, the Government “reaffirmed its commitment” to the International Education Strategy, which includes ambitions to attract 600,000 international students per year to study in the UK and to increase education exports to £35 billion per year by 2030. The UK has met the Strategy’s ambition on international students in the last two years, attracting 679,970 international students in 2021/22.¹³²
96. **The higher education sector faces several financial risks. These risks are exacerbated by the freezing of tuition fees for home undergraduate students, the sector’s main source of income, especially at a time of high inflation. Higher education institutions now make a loss when teaching domestic students and conducting research. These shortfalls**

125 The CWUR’s league table ranks the 2,000 best-performing institutions in the world. In 2023, 93 British universities were in the top 2,000, of these 55 fell down the list compared to the previous year. ‘UK universities slide down global rankings as China makes its mark’, *The Times*, 16 May 2023: <https://www.thetimes.co.uk/article/uk-universities-slide-down-global-rankings-as-china-makes-its-mark-x5lsgnkbt> [accessed 2 August 2023]

126 [Q 17](#) (Dame Nicola Dandridge)

127 [Q 26](#) (Lord Johnson of Marylebone)

128 [Q 48](#) (Vivienne Stern)

129 [Q 17](#) (Sir Michael Barber)

130 [Q 134](#) (Robert Halfon MP)

131 Home Office and DfE, ‘Changes to student visa route will reduce net migration’ (23 May 2023): <https://www.gov.uk/government/news/changes-to-student-visa-route-will-reduce-net-migration> [accessed on 13 June 2023]

132 DfE and Department for Business & Trade, ‘International Education Strategy: 2023 progress update’ (26 May 2023): <https://www.gov.uk/government/publications/international-education-strategy-2023-update/international-education-strategy-2023-progress-update> [accessed 13 June 2023]

have led institutions to become increasingly reliant on cross-subsidy from international and postgraduate students, whose fees are not capped.

97. **The contribution of international students to higher education is valuable and welcome but the sector’s dependency on their fees comes with risks.**
98. **There is a worrying complacency in some quarters that the premium from overseas students could be banked for the long term. But this takes no account of a) the significant imbalance in where overseas students are coming from, particularly China, which concentrates the risks of geopolitical shifts; and b) an increasingly competitive international environment. It is therefore unclear why a student would pay a substantial premium to study in the UK, whilst in other countries, which may include their own, the quality of the offer is improving.**
99. **The current system of higher education funding is not sustainable and will lead to growing issues in the coming years. The decline in the real-terms value of tuition fees has led institutions to make substantial efficiencies already, and the extent to which further efficiencies are possible is unclear. Further funding shortfalls will lead to risks for the breadth and quality of higher education provision.**
100. **Given the scale of these challenges, we were surprised by the OfS Chair’s assertion that the sector’s finances are “in good shape”. This is not an assessment that we or most of our witnesses share. In our view, this remark is indicative of the insufficient attention the OfS has paid to the financial risks facing the sector.**
101. **While individual institutions are responsible for managing their own finances, the Government controls their main sources of income through the cap on tuition fees for domestic undergraduates, and through research funding, including via its approach to the UK’s association with Horizon Europe. It also has an influence over the level of international student recruitment, a key part of providers’ business models, through its immigration policy.**
102. **It is therefore the responsibility of the Government to put in place a stable funding model for higher education that enables institutions to plan for the long-term sustainability of the sector. It has yet to do this.**
103. *The Government should review how higher education is funded. In doing so, it must provide sufficient clarity for institutions to plan for the long-term and set sustainable funding and delivery models for the higher education sector. This review should take into account the planned changes to the student finance model under the Lifelong Learning Entitlement.*

How the OfS oversees financial sustainability

Monitoring and assessing risks

104. In its written submission, the OfS explained that its approach to monitoring financial sustainability is “risk-based and data-driven”, enabling the regulator

to “identify providers that could be at risk of unplanned market exit and to intervene as appropriate to protect students”.¹³³

105. The OfS outlined that “registered providers are required to submit structured information about their financial performance and strength at least once a year, covering the most recent audited year and forecasting ahead for the following five-year period”. Providers also provide the OfS with “qualitative information”, such as a written commentary and reports from external auditors.¹³⁴
106. This information is used, alongside the OfS’ understanding of sector trends and risks, to assess the financial viability and sustainability of each provider. The OfS argued that it takes “a risk-based approach, focusing attention on those providers that present most risk”. Providers are also required to report certain matters that may indicate financial risk.¹³⁵
107. In April 2023, the OfS published a summary of its approach to monitoring the financial sustainability of individual universities and colleges. The OfS set out that 250 higher education providers were required to complete its annual financial return for the 2020/2021 financial year. Of these, 117 were subject to further assessment, there was informal monitoring of 51 providers, of which 31 were subject to additional formal monitoring. Three providers were subject to Student Protection Directions, which enable the OfS to intervene “quickly and in a targeted way” where there is a material risk of market exit. One provider exited the market.¹³⁶
108. Dame Nicola Dandridge said that during her time at the OfS, “there was a lot of engagement and assessment” of which providers were at risk and that the OfS “would try to get involved at an early stage”. She argued that the OfS was also focused on the broader systemic risks in the sector, examining “broader trends” to anticipate when institutions might get into difficulties.¹³⁷
109. Sir Michael Barber said that at one point, OfS analysis of provider forecasts found that they “were projecting more students in the future than existed in the country”, which was “impossible”. He explained that the OfS would “feed that back into the system, just to give a reality check”.¹³⁸
110. Lord Johnson said that in this area, the quality of the OfS’ work was largely “very good”. He suggested that the only area where the OfS has been “a bit slow” is in relation to “overdependence on international students from a couple of countries”. He argued that the OfS had identified the problem but been slow to act: “making institutions put in place an action plan to diversify their sources of international income is what we need, not just to observe that it is a risk”.¹³⁹

133 Written evidence from the OfS ([WOS0001](#))

134 *Ibid.*

135 *Ibid.*

136 OfS, *How we regulate financial sustainability within higher education* (April 2023): <https://www.officeforstudents.org.uk/media/a5b8f55b-07b5-4f72-b145-5e1a26956af2/ofs-approach-to-financial-sustainability.pdf> [accessed 13 June 2023]

137 [Q 11](#) (Dame Nicola Dandridge)

138 [Q 12](#) (Sir Michael Barber)

139 [Q 28](#) (Lord Johnson of Marylebone)

111. Professor Dame Nancy Rothwell, of the University of Manchester, said that the OfS looks at financial accounts “in some detail”. However, she argued that it would glean better insights by speaking to providers directly.¹⁴⁰
112. Erica Conway said that, while all “good” institutions conduct forward planning, “the level of detail that is required” by the OfS is significant. She called for clarity on how the OfS’ approach is working, “what that means to us individually as institutions and what we have to do in response to that”.¹⁴¹
113. Nicola Owen, Chief Executive (Operations) at Lancaster University and Chair of the Association of Heads of University Administration (AHUA), suggested that “silence is effectively the only clue that you are not a high-risk institution”, but acknowledged that “the case studies that have been published are quite helpful in that regard”.¹⁴²
114. For the OfS, Susan Lapworth said that “it is for individual institutions to run their finances effectively. That is not our job”. She contrasted this with HEFCE, which “was much more interventionist”. Lord Wharton said that the OfS’ role is “to intervene where we appropriately can to assist institutions that are struggling, but it is not our role to fix their problems”.¹⁴³
115. Susan Lapworth expressed confidence that the OfS “can spot risks early”, while noting that “this is a deliberately risk-based system and we do not look in detail at every provider every year”.¹⁴⁴
116. In its financial sustainability report for 2023, the OfS explained that this year, it introduced “direct engagement with finance directors from a wide cross-section of providers through a series of roundtable meetings”, which allowed it to “hear first-hand the financial risks that face different parts of the higher education sector and the mitigations available”.¹⁴⁵
117. **The OfS’ targeted approach can mean it communicates little with institutions whose financial data appears healthy. This limits the regulator’s knowledge of providers that are not in financial difficulties, makes it harder to identify risks that are not evident in financial data and means that relationships may have to be built from scratch if difficulties occur. It is welcome that the OfS has recognised this and introduced greater direct engagement with providers this year.**
118. *The OfS should prioritise holding discussions with providers more regularly about their financial situation, in particular those that are not considered high-risk.*

Provider failure and market exit

119. HERA requires that the OfS monitors and reports on financial sustainability in the sector, but the OfS does not have a responsibility to ensure financial

140 [Q 45](#) (Professor Neal Juster)

141 [QQ 101–102](#) (Erica Conway)

142 [Q 98](#) (Nicola Owen), see also [Q 102](#) (Erica Conway)

143 [QQ 129–130](#) (Susan Lapworth)

144 *Ibid.*

145 OfS, ‘Financial sustainability of higher education providers in England - 2023 update’ (18 May 2023), p 3: <https://www.officeforstudents.org.uk/publications/financial-sustainability-of-higher-education-providers-in-england-2023-update/> [accessed 13 June 2023]

sustainability or prevent the failure of higher education institutions.¹⁴⁶ As the University of Bolton noted, “the OfS is not a funding body in the same way” as its predecessor, HEFCE.¹⁴⁷ HEFCE aimed to “encourage and support the positive contribution that higher education makes”, including through funding teaching and working in partnership to lever investment into English higher education.¹⁴⁸

120. The OfS explained in its written evidence that “it is not [the] OfS’ role to prevent financial failure in the sector” and emphasised that “some providers will leave the system because of unresolvable financial difficulties”. The OfS set out that its role “is to minimise the likelihood of an unmanaged and disorderly exit, because this is how we minimise the impact of any provider closure on the interests of students”.¹⁴⁹
121. All providers registered with the OfS must have a student protection plan in place which must be approved by the regulator. The plan must address specific risks to the continuation of study for the provider’s students in the event that the provider enters financial difficulties, including ensuring that existing students can complete their course and continue to access student finance, or transfer to other providers.¹⁵⁰
122. In 2021, the OfS amended its regulatory framework to introduce a new condition of registration that enables it to impose “legally-binding student protection directions” on a provider where it considers there “to be a material risk of market exit”. The OfS considers imposing student protection directions where providers are unable to demonstrate that they are likely to have access to sufficient funds to meet day-to-day costs and any other liabilities due within the next 12 months.¹⁵¹
123. In 2021, the Academy of Live and Recorded Arts (ALRA), a registered provider, closed due to financial difficulty. The OfS said that it was “able to ensure that all students were offered a suitable alternative place” at another institution and “received credit for their studies to date”. The OfS emphasised that it also acts in such situations “less visibly” and has imposed formal student protection directions or otherwise required exit planning six times since it began operating in 2018.¹⁵²
124. In April 2023, the OfS published case studies outlining the action it had taken in three cases where providers were at risk of market exit, including the case of ALRA, which did exit the market. In the case of ALRA, the OfS introduced requirements to protect the interests of students, established a multi-agency taskforce to coordinate planning for ALRA’s market exit and identified options for ALRA’s students to continue their studies at another provider. When ALRA closed, over 90% of its 248 students chose to move to Rose Bruford College of Theatre and Performance.¹⁵³

146 Higher Education and Research Act 2017, [section 68](#)

147 Written evidence from the University of Bolton ([WOS0045](#))

148 Higher Education Funding Council for England, *Annual report and accounts 2014–15* (9 June 2015): https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/435744/49848_HC_5_ACCESSIBLE_v2.pdf [accessed 7 September 2023]

149 Written evidence from the OfS ([WOS0001](#))

150 Written evidence from the Academic Registrars’ Council ([WOS0014](#))

151 Written evidence from the OfS ([WOS0001](#))

152 *Ibid.*

153 OfS, *Financial sustainability and market exit cases* (April 2023): <https://www.officeforstudents.org.uk/publications/financial-sustainability-and-market-exit-cases/> [accessed 13 June 2023]

125. Sir Michael Barber said that “it was assumed in the HEFCE era that, if a university got into financial trouble, it would get bailed out”. He said he had made a speech early on during his time as Chair of the OfS in which he said “we would not bail out universities that got into financial trouble, because you have to get to a situation where they take responsibility for their own finances”. He suggested that “the politics” of any exit would be “difficult”, noting that in the case of one institution that got into financial difficulty, “we sorted it out behind the scenes” but did not bail it out.¹⁵⁴
126. Dame Nicola Dandridge said that when ALRA went out of business, “the OfS was very aware of that situation and intervened”, stressing that “our priority was the students”, who were offered a place in good-quality alternative providers. She stressed that “that is how the system should work, and it worked”.¹⁵⁵
127. However, Dame Nicola did note that the OfS is “very conscious that institutional failure could be immensely damaging for the sector as a whole”, including by affecting “the confidence that banks had to lend”, potentially leading to a knock-on effect for other institutions.¹⁵⁶
128. Lord Johnson argued that the OfS “is not set up to be an entity that can bail out failing institutions” and does not have “pots of money” that it can draw on for that purpose. He suggested that if Ministers were to decide that they “wanted to save an institution”, it would be a matter for the DfE and the Treasury.¹⁵⁷
129. Sir David Eastwood, the former Chief Executive of HEFCE, thought there would be “some consolidation” in the sector in the coming years, but argued it was “unlikely” that institutions will fail as “the political imperatives are against” this. He explained that the OfS “does not have the resource that HEFCE, for example, would have had to help to facilitate and broker those mergers”, suggesting that the OfS and the DfE needed to think about this.¹⁵⁸
130. Prof Juster said that “it will be a political decision as to what happens if a university was to fail”. He noted the requirement for providers to have student protection plans but explained that he is “not sure how the sector would cope if a large university with 40,000 students could not teach the next day”.¹⁵⁹
131. Vanessa Wilson of University Alliance questioned “how willing universities are to go to the OfS”, as “they would fear that the OfS might come in with some sort of punitive response”. She emphasised that there have been occasions where the OfS was “very supportive to institutions” but argued that a “lack of trust probably inhibits the frank exchange of information”.¹⁶⁰ Prof Juster said that he personally would “think very hard before I went to the OfS”, while Prof Rothwell said that she “probably would go to the OfS” in such a scenario, but “probably not in the same way that we would have done with HEFCE”.¹⁶¹

154 [Q 8](#) (Dame Nicola Dandridge)

155 [Q 11](#) (Dame Nicola Dandridge)

156 [Q 12](#) (Dame Nicola Dandridge)

157 [Q 26](#) (Lord Johnson of Marylebone)

158 [Q 36](#) (Sir David Eastwood)

159 [Q 45](#) (Professor Neal Juster)

160 [Q 52](#) (Vivienne Stern)

161 [QQ 45–46](#) (Professor Neal Juster and Professor Dame Nancy Rothwell)

132. Lord Wharton said that he would “certainly hope” that a vice-chancellor would not feel reluctant to engage with the OfS on their institutions’ financial difficulties, as in the past the OfS has been able “to assist with finding solutions”. He emphasised that while the OfS “will have to protect students ... we will also help institutions where we can and offer guidance, support and some of the experience we have had in dealing with other institutions”.¹⁶²
133. Lord Wharton argued that the OfS has “been able to make a tangible difference” by “ensuring that students were not simply cast out with nowhere to go” in the event of failures. However, he acknowledged that if larger numbers of institutions are “struggling to the point of potential failure, it becomes more difficult”.¹⁶³
134. For the Government, Anne Spinali said that the DfE “will have constant dialogue with the OfS on institutions at risk and actively discuss what plans the institution is putting in place”. She acknowledged the “concern that some institutions have about approaching the OfS directly”, explaining that some providers have approached the Government first. However, she emphasised that the Department’s “first reaction” would be to direct providers to the OfS.¹⁶⁴
135. Anne Spinali also argued that “what will probably happen ... is the consolidation of institutions and evolution of business models”, rather than provider failure. The Minister emphasised that if “a university was going under, I would regard it as my duty to work sure the students had another provider to go to”, by working “very closely” with the OfS.¹⁶⁵
136. **It is worrying that some institutions would be unwilling to engage with the OfS in the early stages of falling into financial difficulty for fear of a punitive regulatory response, especially given the OfS’ risk-based approach to engagement. This hampers the ability of institutions and the regulator to plan together and take early action against emerging financial risks. Trust would be improved by greater mutual engagement between providers and the regulator, which could help improve the willingness of providers to discuss emerging problems. The OfS’ publication of case studies, providing more clarity for providers on its approach, is welcome.**
137. **The OfS has indicated that its role is not to bail out failing providers but to support their students to continue their studies in other institutions. While this was successful in the case of a recent market exit by a small provider, there are questions as to the practicality of this approach in the event of the failure of large institutions or of large numbers of institutions. In these instances, it would be difficult to ensure alternative places for large numbers of students.**
138. **HEFCE, the OfS’ predecessor, had the ability to facilitate and broker mergers and consolidations of providers where there were difficulties, facilitating planned solutions rather than disorderly exits. It is not clear whether either the OfS or the Government has taken on any**

162 [Q 131](#) (Lord Wharton of Yarm)

163 [Q 131](#) (Lord Wharton of Yarm)

164 [QQ 133 and 149](#) (Anne Spinali)

165 [Q 149](#) (Anne Spinali)

strategic oversight of the sector in this vein, despite an apparent expectation of greater consolidation of providers through mergers.

139. *The Government and the OfS should clarify whether there is any strategic oversight of the higher education sector's long-term financial stability, including whether to encourage mergers and consolidation. If no such function exists, they should consider whether it is necessary and which body should take this responsibility.*

CHAPTER 4: VALUE FOR MONEY

140. HERA requires that in performing its functions, the OfS must have regard to “the need to promote value for money in the provision of higher education by English higher education providers”. HERA also requires the OfS to have regard to “the need to promote quality, and greater choice and opportunities for students”.¹⁶⁶

Student outcomes

141. The OfS explained that it evaluates value for money through survey results of undergraduate students in relation to both value for money and quality of education, as well as through “student outcomes indicators”, which include whether students continue beyond their first year of study, whether they complete their course, and whether they have positive graduate outcomes after their studies.¹⁶⁷
142. The OfS often describes its work on student outcomes in relation to “quality and standards”, explaining that in 2022, the regulator introduced strengthened conditions of registration to allow it to take “robust action” where courses fall below its expectations. In particular, condition B3 requires each provider “to deliver positive outcomes for its students, including in the extent to which students continue on and complete their course, and progress to professional employment or further study”.¹⁶⁸
143. The OfS argues that regulating outcomes in this way is “a consumer protection mechanism for students and assurance for taxpayers”. The OfS is currently undertaking “the first cycle of assessments” relating to the condition, selecting providers that have continuation, completion or progression rates below its numerical thresholds.¹⁶⁹
144. Dame Nicola Dandridge, the former Chief Executive of the OfS, said that the regulator looked at value for money from the student and taxpayer perspective, “because there is still a lot of subsidy” in the higher education system.¹⁷⁰ Higher education is subsidised through the student loan system to the extent that student loans are not repaid. The Government expects that around 20% of full-time undergraduate students starting in 2021–22 will repay their loans in full, although this is forecast to increase to 55 per cent among new students from 2023–24 following reforms to how student loans are repaid.¹⁷¹
145. Dame Nicola explained that condition B3 looks at graduate outcomes 15 months after graduates leave their course, with “an expectation that a certain proportion will go into graduate jobs”. She argued that some providers “do very well on this and some do not”, with the OfS investigating business and management courses, “where there is huge diversity” in outcomes “to quite an alarming degree”.¹⁷²

166 Higher Education and Research Act 2017, [section 2](#)

167 Written evidence from the OfS ([WOS0001](#))

168 *Ibid.*

169 *Ibid.*

170 [Q 5](#) (Dame Nicola Dandridge)

171 House of Commons Library, ‘Student Loan Statistics’, Research Briefing [SN 01079](#), June 2023

172 [Q 16](#) (Dame Nicola Dandridge)

146. Lord Johnson, the former Minister for Universities, said that the OfS tries to assess value for money through proxies as it cannot be measured directly, but noted that “inevitably, those proxies are not perfect”. He emphasised the need not to “get too depressed” about value for money, as the graduate salary premium is “robust over time, suggesting that real value is added”.
147. Several witnesses argued that value for money was difficult to measure. Martha Longdon, a former Chair of the OfS’ Student Panel, said that value for money “is incredibly hard to measure” because it “will differ from student to student”. She said that what constitutes value to an 18-year-old undergraduate “just wanting to have a social life and be part of that experience” will be “very different” to someone “pursuing an MBA because they have very clear aspirations”.¹⁷³
148. Martha Longdon argued that the OfS’ approach is not “sufficiently understanding of those different nuances” and that “there has not been enough effort to try because it does not align with the Government’s steer”, which emphasises the importance of jobs and pay.¹⁷⁴
149. Professor Neal Juster of the University of Lincoln argued that even if one could know the counterfactual outcome for a graduate if they had not undertaken higher education, “it would take 20 or 30 years before you worked out whether it was value for money”.¹⁷⁵ Similarly, the Cathedrals Group of Universities suggested that achievement of a graduate job may take longer than “the 15-month timeframe currently used”.¹⁷⁶
150. Vivienne Stern of Universities UK said that the OfS’ indicators are “absolutely influencing provider behaviour”, which “is positive”. However, she disagreed with the idea that “value equals getting a good job with a high salary”, arguing that “students and graduates also value things such as social contribution, the impact on communities, public service and contribution to culture”.¹⁷⁷
151. Lord Johnson warned against the idea of equating value for money with the proportion of a student loan that is repaid, arguing that this would risk “the diversity and breadth of subjects offered” and could generate skills shortages in “lower-earning career paths that are of great social value”.¹⁷⁸
152. The Royal Academy of Engineering, the Engineering Professors’ Council and the Engineering Council expressed concern that because the OfS uses graduate outcomes as a metric, courses with higher numbers of disabled students, care leavers and students from lower socioeconomic or ethnic minority backgrounds “might look ‘low quality’ while actually the prospects of those students ... have been greatly improved”. They argued that “trying to do the right thing may open universities up to sanctions” and this direction of travel “is therefore likely to narrow fair access, rather than improve higher education”.¹⁷⁹

173 [Q 74](#) (Martha Longdon)

174 *Ibid.*

175 [Q 42](#) (Professor Neal Juster)

176 Written evidence from the Cathedrals Group of Universities ([WOS0022](#))

177 [Q 49](#) (Vivienne Stern)

178 [Q 22](#) (Lord Johnson of Marylebone)

179 Written evidence from the Royal Academy of Engineering ([WOS0044](#)), the Engineering Professors’ Council and the Engineering Council ([WOS0048](#))

153. Alex Proudfoot of Independent Higher Education argued that “the OfS worships at the altar of the gods of data”. He said that the student outcomes data relies on the Office for National Statistics’ (ONS) Standard Occupational Classification (SOC) codes to identify graduate jobs. He pointed to Norland College as an example of difficulties with this approach. He said that Norland College “trains the world’s best nannies” and “almost 99%” of its graduates get “the exact job they want to get” but added: “because the SOC code for nannies ... classes them as unskilled, they look as if they are failing to the OfS”. He said this was “unacceptable”.¹⁸⁰
154. Chloe Field of the National Union of Students (NUS) argued that students face “an arbitrary price” and “cannot move easily in this market”, meaning that questioning whether students are “getting a monetary value” for their courses “is just not how it should work”.¹⁸¹
155. Francesco Masala, a former member of the OfS Student Panel, said that the Panel “raised multiple times” that value for money “should involve an element of broader student life outside the classroom”.¹⁸² Vanessa Wilson suggested that the value added by higher education “would have been a positive, progressive area to look at”, demonstrating the value of the sector in “educating disadvantaged students and bringing them up to the same levels”.¹⁸³
156. The Fair Access Coalition agreed on the need to “consider the specific circumstances of students being brought in” by focusing on “student progress as an outcome” rather than “the ability of students to enter specific kinds of employment sectors”.¹⁸⁴ The Mixed Economy Group of Colleges and the Social Market Foundation (SMF) called for a greater focus on “learning gain” and the value added by higher education, which the SMF argued shifts away “from evaluating providers based on outcomes outside their control ... and towards what they are constituted to do”.¹⁸⁵ Universities UK called for a broader set of approaches to value for money including learning gain, graduate views of career progression, support for economic growth and social impact.¹⁸⁶
157. Susan Lapworth said that the OfS treats “quite a wide range of outcomes as positive” for graduates and emphasised that “salaries are not driving this part of our regulation”.¹⁸⁷
158. Susan Lapworth said that the student outcomes indicators are “relatively simple” and “set a minimum floor below which performance will start to attract regulatory attention”. She stressed that the OfS will “always go to the provider and have quite an in-depth conversation about the context”, arguing that “this is not a blunt, data-only approach”.¹⁸⁸

180 [Q 56](#) (Alex Proudfoot)

181 [Q 65](#) (Chloe Field)

182 [QQ 74–75](#) (Francesco Masala)

183 [Q 49](#) (Vanessa Wilson)

184 Written evidence from the Fair Access Coalition ([WOS0049](#))

185 Written evidence from the Mixed Economy Group of Colleges ([WOS0027](#)) and the Social Market Foundation ([WOS0043](#))

186 Written evidence from Universities UK ([WOS0034](#))

187 [Q 119](#) (Susan Lapworth)

188 *Ibid.*

159. The Minister said that “value for money is incredibly important” and it “must be about outcomes and jobs with good skills and progression. Otherwise ... what is the point of spending all that time at university and taking out the loan?”. He noted that “there is good evidence that suggests that the higher education system is preparing students for high-quality employment” but emphasised that “a lot more has to be done to tackle pockets of poor quality that persist”.¹⁸⁹
160. In its July 2023 response to its higher education policy statement and reform consultation, the Government announced what it described as a “crackdown on rip-off university degrees”.¹⁹⁰ Specifically, it would issue statutory guidance to the OfS setting out that it should impose recruitment limits where provision is found to be in breach of the B3 condition. This would aim to “prevent the growth of provision which is not delivering positive student outcomes” and *in extremis* could include preventing any recruitment to such courses. The Government also indicated that it would ask the OfS to consider earnings data as part of its quality regime.¹⁹¹
161. The OfS’ regulatory framework already allows it to impose specific ongoing conditions on providers, referencing a scenario where it could “require the provider to improve its employment outcomes before it can increase the numbers of students it recruits”. The regulatory framework also suggests that suspending a provider’s registration may be appropriate “where a particular course has very weak continuation rates or with few students progressing to managerial or professional employment, or further study”.¹⁹² In one previous case, the OfS has already restricted the number of students at a provider and prohibited it from offering new courses due to concerns over student outcomes.¹⁹³
162. **Given the financial cost of higher education to students, we welcome that the OfS is focused on ensuring their courses are of sufficient value and lead to positive outcomes. It is likely that this has already had some impact in focusing institutions on improving provision.**
163. **Value for money in the context of higher education is a subjective concept and is difficult to measure. However, the proxies used by the OfS to indicate positive outcomes, particularly in relation to continuation and completion of courses and graduate outcomes, are simplistic, narrow and fail to reflect the broad value of the higher education experience and the skills needed for the future.**
164. **The OfS’ proxies also hold providers accountable for their students’ subsequent employment outcomes, which are often affected by many factors outside the providers’ control, such as students’ backgrounds.**

189 [QQ 132 and 145](#) (Robert Halfon MP)

190 DfE, ‘Crackdown on rip-off university degrees’ (17 July 2023): <https://www.gov.uk/government/news/crackdown-on-rip-off-university-degrees>

191 DfE, *Higher education policy statement and reform: Government consultation response* (July 2023): https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1170673/Higher_education_policy_statement_and_reform_-_government_consultation_response.pdf [accessed 17 July 2023]

192 OfS, *Securing student success: Regulatory framework for higher education in England* (24 November 2022): https://www.officeforstudents.org.uk/media/1231efe3-e050-47b2-8e63-c6d99d95144f/regulatory_framework_2022.pdf [accessed 17 July 2023]

193 OfS, *Burton and South Derbyshire College - Specific ongoing conditions of registration*: <https://www.officeforstudents.org.uk/media/8f055c49-6d3e-4d92-8371-3542e9342da5/burton-and-south-derbyshire-college-specific-ongoing-conditions-of-registration-b3a.pdf> [accessed 17 July 2023]

Focusing too heavily on regulating according to these outcomes has the potential to run counter to efforts to widen access to university, both by penalising institutions that take on students from disadvantaged backgrounds and by underplaying the benefits of courses that are less directly vocational.

165. *The OfS should conduct and publish further work to assess the broader value of the higher education experience, particularly for those from disadvantaged backgrounds. This should involve looking at the potential to measure the wider value added by higher education, as well as the outcomes that follow it. This work must be done in collaboration with stakeholders across the sector, including students.*

Student information

Information provided by institutions

166. Dame Nicola Dandridge highlighted that alongside ensuring high quality, the OfS' responsibility in terms of value for money was to ensure "that their consumer rights were protected and that there was transparency in what they would be offered". She said that the OfS model "is premised on student choice" but that this only works if they can make an informed decision.¹⁹⁴
167. Vivienne Stern argued that "if students have access to good information, they should be able to choose for themselves", and criticised a tendency towards "denigrating the choice of an individual student because they do not think that what the student is doing will end up being valuable".¹⁹⁵
168. Chloe Field suggested that the information available to prospective students "differs from institution to institution" and "is definitely something that universities struggle with". She suggested that the biggest transparency issue faced by students is hidden course costs, such as expensive textbooks.¹⁹⁶ Francesco Masala explained that he had done work at his university on providing transparent information on average student weekly living costs. He added that students were more likely to drop out of their studies if they "cannot cope with the cost of living", rather than because of tuition fees.¹⁹⁷
169. Mack Marshall, Education Officer at Newcastle University Students' Union, cited research that in terms of value for money, students want "transparency and clarity as to where their £9,250 goes". He said that students are "vulnerable consumers" making "one of the biggest financial transactions" of their lives, and that it is "really tricky" to say whether students get value for money as they "do not have that minimum baseline ... to judge value for money against". He argued that it would be useful for the OfS "to tell students what their rights are" as part of that baseline.¹⁹⁸
170. Martha Longdon argued that both providers and students being clear on what to expect from courses is "really important", but that she "would hate to see a situation where that information is so prescriptive that providers cannot make positive changes".¹⁹⁹

194 [QQ 5 and 16](#) (Dame Nicola Dandridge)

195 [Q 53](#) (Vivienne Stern)

196 [Q 66](#) (Chloe Field)

197 [Q 76](#) (Francesco Masala)

198 [Q 110](#) (Mack Marshall)

199 [QQ 75-76](#) (Martha Longdon)

171. On 31 May 2023, the Competition and Markets Authority published an update to its consumer law advice for higher education providers. The advice sets out the CMA's view of the minimum requirements for compliance with consumer protection law in this area. This includes ensuring that students are given “up front, clear, timely, accurate and comprehensive information” on the structure of courses, fees and costs before a decision is made about which courses and providers to apply to.²⁰⁰

Contact hours

172. Dame Nicola Dandridge said that when she engaged with students, “it came up again and again that students did not feel like they were getting enough support, advice and ... contact hours”.²⁰¹ Chloe Field said that “contact time is vital”.²⁰² Martha Longdon said that “lots of students” value contact time and see that “as the only thing that they are paying for”.²⁰³
173. Dame Nicola explained that the OfS saw this as “a question not just of quantity but of quality”, arguing that “it would be wrong to see contact hours as equating to high quality”.²⁰⁴ Chloe Field also emphasised the importance of “quality contact time”, including one on one time to discuss concerns as well as lectures.²⁰⁵
174. Martha Longdon said that “it is not clear to what extent those fees are also paying for the broader infrastructure”, such as facilities and libraries, although “there are universities that have tried to articulate this”.²⁰⁶ Chloe Field said that transparency on contact hours has not been “a massive issue that students bring up” and that the biggest issue is “whether the staff are able to provide those contact hours”.²⁰⁷
175. Rania Regaieg, President of the Students’ Union at the University of the West of England, said that it “would have been great” to know what to expect, but similarly argued that it “is not particularly necessary to know the exact number of contact hours”, suggesting that it is more important “to know that I will have a good, holistic student experience”.²⁰⁸
176. Mack Marshall said that industrial action is currently a key concern of students and that the current marking and assessment boycott is causing “a lot of student anxiety”. He suggested that it would be “really useful” for the OfS to clarify “what students’ rights are” in these situations.²⁰⁹ Chloe Field said that rather than transparency on contact hours, the “biggest issue” is whether staff are able to provide quality contact hours, stressing that higher education staff are “overworked” and on “very precarious contracts”.²¹⁰ The University and College Union (UCU) said that the increasing casualisation

200 Competition and Markets Authority, *UK higher education providers - advice on consumer protection law* (31 May 2023): https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1159885/Consumer_law_advice_for_higher_education_providers_.pdf [accessed 13 July 2023]

201 [Q 6](#) (Dame Nicola Dandridge)

202 [Q 65](#) (Chloe Field)

203 [Q 75](#) (Martha Longdon)

204 [Q 6](#) (Dame Nicola Dandridge)

205 [Q 65](#) (Chloe Field)

206 [Q 75](#) (Martha Longdon)

207 [Q 65](#) (Chloe Field)

208 [Q 111](#) (Rania Regaieg)

209 [QQ 107 and 109](#) (Mack Marshall)

210 [Q 66](#) (Chloe Field)

of teaching staff in higher education is “having a significant impact on the quality of the student experience” and is “worthy of further investigation by the OfS”.²¹¹

177. Some concerns were raised around the value of online learning. Charles Clarke said that some institutions during the pandemic “thought that online learning was basically having a camera on the lecturer”, leading to some “very unsatisfactory experiences”. However, he added that more broadly, online learning can be “potentially very positive” by reaching out to a wider student body.²¹² Dame Nicola Dandridge said that the OfS had been “concerned about the quality” of some online provision during the pandemic, while Anthony McClaran of GuildHE said that it is possible for online learning to provide a fulfilling education but “it needs to be thought about seriously”.²¹³
178. For the OfS, Lord Wharton said that “students get a lot of information” but questioned “whether it is as easily digestible as it ought to be”. He stressed that “there is a significant power imbalance” between providers and students that “does not always lead to the best outcomes for students”. He said that the OfS has piggybacked on the CMA’s work on student information and consumer protection but “more could be done”, as currently “it is a fairly soft regulatory requirement”.²¹⁴
179. Lord Wharton explained that the OfS undertook a blended learning review during the pandemic, allowing the regulator to issue best-practice recommendations to institutions. He argued that “there are quite a lot of shades of grey” but that “a certain approach to blended learning can add value”.²¹⁵
180. Susan Lapworth expressed concern that students “can be a bit lost” in all of the information they get and explained that the OfS contributes “to providing some clarity”, including through its Discover Uni website, which publishes “impartial information about providers and courses”.²¹⁶
181. Susan Lapworth also outlined that the OfS expects providers to “be as transparent as possible” about what students can expect from their course, including on contact hours and the extent to which courses are delivered online or in person, but “there is quite a lot of variability in the quality and detail” of this information. She argued that this is “not helpful to students making those tricky choices” and explained that the OfS is “keen to do more work on this area”.²¹⁷
182. The Minister agreed that the information given to students “is mixed” and “some universities do not give enough information”. He said that this “absolutely has to be a requirement”, especially in relation to the amount of online learning. He stressed that as much information should be put on providers’ websites as possible “so that students know that they are doing and what that university offer is when they apply”.²¹⁸

211 Written evidence from the University and College Union ([WOS0020](#))

212 [Q 23](#) (Charles Clarke)

213 [Q 2](#) (Dame Nicola Dandridge) and [Q 86](#) (Anthony McClaran)

214 [Q 120](#) (Lord Wharton of Yarm)

215 [Q 115](#) (Lord Wharton of Yarm)

216 [Q 120](#) (Susan Lapworth)

217 *Ibid.*

218 [Q 145](#) (Robert Halfon MP)

183. **It is important to remember that going to university is a very significant financial commitment to make at any time, let alone as a young person. It is therefore imperative that students are given clear, accessible information on what they can expect as part of their course.**
184. **We heard that the information provided by higher education institutions can differ greatly in this respect and that it is not clear to students what their rights are or what they can expect from their courses. This lack of transparency is unacceptable given the level of financial commitment involved.**
185. *The OfS should ensure that when prospective students apply for a course, they receive clear, digestible general information on the approximate contact hours they can expect to receive; the balance between online and in-person learning; the likely cost of living as a student on the course as it is running, including accommodation and hidden course costs; and the potential costs of student loan repayments over time for those on average graduate earnings. The OfS should hold providers to account for delivering this information, and should consider tougher regulatory consequences for those that do not. The OfS should also ensure that its approach is in alignment with the latest guidance issued by the Competition and Markets Authority on consumer protection.*

CHAPTER 5: QUALITY, STANDARDS, CHOICE AND COMPETITION

186. When performing its functions, the OfS is required by HERA to have regard to “the need to promote quality, and greater choice and opportunities for students, in the provision of higher education by English higher education providers”.²¹⁹
187. The OfS is also required to have regard to:
- “the need to encourage competition between English higher education providers in connection with the provision of higher education where that competition is in the interests of students and employers, while also having regard to the benefits for students and employers resulting from collaboration between such providers.”²²⁰

Quality, standards and the Designated Quality Body

188. The OfS “may assess, or make arrangements for the assessment” of the quality and standards of the education provided by all English higher education providers. This applies both to institutions that have applied to join the register of providers, and for determining whether institutions that are already on the register satisfy ongoing conditions. Where there are sector-recognised standards, any assessment of standards “must assess those standards against sector-recognised standards only”.²²¹
189. In the White Paper that preceded HERA, *Success as a knowledge economy*, the Government said that it had “listened very carefully to those respondents” who had “called for co-regulation to be at the heart of the future quality system, as well as the many voices who have spoken positively” about the role of the QAA.²²² Quality assurance was previously based around a combination of internal review of practices by universities themselves and external review by the QAA.²²³

219 Higher Education and Research Act 2017, [section 2](#)

220 *Ibid.*, [section 2](#)

221 *Ibid.*, [section 23](#)

222 Department for Business, Innovation and Skills, ‘Success as a knowledge economy: teaching excellence, social mobility and student choice’ (16 May 2016): <https://www.gov.uk/government/publications/higher-education-success-as-a-knowledge-economy-white-paper> [accessed 2 June 2023]

223 House of Commons Library, ‘Higher education in the UK: Systems, policy approaches, and challenges’, Research Briefing [CBP 9640](#), April 2023

Box 4: The Quality Assurance Agency for Higher Education (QAA)

The QAA is a charity that operates as an independent expert quality body for higher education across the UK. Its work is funded through its membership, which comprises over 300 higher education providers across the UK. Membership is voluntary in England, where over 98% of universities are members, and mandatory in Scotland, Wales and Northern Ireland, where the QAA forms part of the regulatory framework.

The QAA oversees “a suite of UK-wide sector reference points which form an essential part of the quality assurance infrastructure of higher education institutions”, including the UK Quality Code for Higher Education. The Code is “a key reference point for the quality arrangements in Scotland, Wales and Northern Ireland” but in England it is not a regulatory document.

Source: Quality Assurance Agency for Higher Education, ‘Our work in England’: <https://www.qaa.ac.uk/en/about-us/our-main-areas-of-work/our-work-in-england> and Quality Assurance Agency for Higher Education, ‘The Quality Code’: <https://www.qaa.ac.uk/the-quality-code> [accessed 2 June 2023]

190. In the White Paper, the Government set out its intention to allow the OfS to consult the sector as to whether there is an appropriate body in the sector capable of designing and operating quality assessments. The White Paper set out that the OfS “could not refuse to recommend a body provided that there was a suitable and capable one, even if it would prefer to carry out the work in house”.²²⁴
191. Provisions allowing for a body to be designated to undertake quality and standards assessments were subsequently included in HERA. In order to be designated, a body would have to meet a number of conditions, including being “capable of performing the assessment functions in an effective manner”, representing “a broad range” of providers, commanding the confidence of providers, and being independent of any particular provider.²²⁵ When a body has been designated to assess quality and standards, assessments of the standards of higher education provision “cease to be exercisable by the OfS”, although this does not apply to quality assessments. Where a body is not designated, these functions are undertaken by the OfS.²²⁶
192. The legislation allows the OfS to give the designated body “general directions” about the performance of its assessment functions. However, in giving such directions, the OfS must have regard to the need to protect the expertise of the designated body and its ability to make an impartial assessment of quality and standards.²²⁷
193. During the passage of the Act in Parliament, concerns were raised about how standards would be assessed, leading the Government to bring forward amendments aiming to clarify that the standards against which providers are assessed “are determined by, and command the confidence of, the higher education sector”. Amendments supported by the Government also attempted to clarify that “where a quality body is designated, it will have

224 Department for Business, Innovation and Skills, *Success as a knowledge economy: teaching excellence, social mobility and student choice* (16 May 2016): <https://www.gov.uk/government/publications/higher-education-success-as-a-knowledge-economy-white-paper> [accessed 2 June 2023]

225 Higher Education and Research Act 2017, [schedule 4](#)

226 *Ibid.*, [section 23 and 27](#)

227 *Ibid.*, [schedule 4](#)

sole responsibility for the assessment of standards”, keeping “standards assessment at arm’s length from government”.²²⁸

194. In 2018, the QAA was designated as the Designated Quality Body (DQB) for England²²⁹ following a consultation in which over 98% of respondents stated their view that the QAA was capable of meeting all of the designation conditions.²³⁰ In a Designation Agreement agreed between the OfS and the QAA, the OfS welcomed the QAA’s designation “as it ensures that the QAA’s expertise as the sector-recognised expert body on quality and standards can be deployed in the new regulatory environment”.²³¹
195. In July 2022, the QAA announced that it had notified the Education Secretary that it would “no longer consent” to being the DQB beyond 31 March 2023. The QAA explained that it decided not to continue in the role because the requirements made of it by the OfS’ regulatory approach “are not consistent with standard international practice for quality bodies, as reflected in the European Standards and Guidelines” (ESG).²³²
196. The QAA said that its work in the other nations of the UK and internationally “depends on the QAA’s registration by the European Quality Assurance Register for Higher Education” (EQAR). The QAA was temporarily suspended by EQAR, due to its non-compliance with the ESG. This in turn meant the QAA had to leave its role as the DQB in England in order to continue its work in other jurisdictions. The QAA explained that “both the European Register and the European Higher Education Area are separate from the European Union”, meaning the UK’s commitment to them is not impacted by the UK’s withdrawal from the EU.²³³
197. The QAA suggested that areas of non-compliance with ESG standards included not being able to publish all DQB review reports or involve students in DQB reviews.²³⁴ Vicki Stott, their Chief Executive, indicated that EQAR also held a “longer-term worry about cyclical review”.²³⁵ Through a cyclical or periodic review process, a body ensures that it has reviewed the activities of each provider at least once across a particular period of time. However, the OfS takes a risk-based approach to reviewing quality, meaning that rather than reviewing the activities of all providers, it focuses on those that pose the greatest risk.²³⁶
198. The OfS has a differing view of the reasons for the QAA’s departure as the DQB. HERA requires the OfS to send the Secretary of State a triennial

228 HL Deb, 6 March 2017, [col 1164](#)

229 Quality Assurance Agency for Higher Education, ‘Our work in England’: <https://www.qaa.ac.uk/en/about-us/our-main-areas-of-work/our-work-in-england> [accessed 2 June 2023]

230 DfE, *Designation of a body to perform the assessment functions for higher education in England: Government consultation response* (January 2018): https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/677339/Designation_of_a_body_to_perform_the_assessment_functions_for_higher_edu....pdf [accessed 2 June 2023]

231 OfS and Quality Assurance Agency for Higher Education, *Designation Agreement between the Office for Students and the Quality Assurance Agency for Higher Education* (July 2018): <https://www.officeforstudents.org.uk/media/85c4bd0e-25d3-4a3b-ba71-c5ec36365f03/dqb-designation-agreement-oct-2019.pdf> [accessed 2 June 2023]

232 Quality Assurance Agency for Higher Education, ‘QAA demits DQB status to focus on sector and students in England’ (20 July 2022): <https://www.qaa.ac.uk/news-events/news/qaa-demits-dqb-status-to-focus-on-sector-and-students-in-england> [accessed 5 June 2023]

233 *Ibid.*

234 *Ibid.*

235 [Q 87](#) (Vicki Stott)

236 Written evidence from the OfS ([WOS0001](#))

report on how the designated body has performed its assessment functions.²³⁷ In January 2023, the OfS published a summary of its triennial report on the performance of the QAA as the DQB, in which it argued that the QAA “has not performed, and is unlikely in future to perform, the assessment functions such that quality and standards will be effectively assessed for higher education providers in England”. The OfS set out its view that “the designation of the QAA is no longer appropriate and the OfS supports the QAA’s request to have its designation removed”.²³⁸

199. On 30 March 2023, the Government announced the de-designation of the QAA as the DQB, which means that the relevant statutory functions revert to the OfS.²³⁹ This followed a consultation in which a majority of respondents disagreed with de-designation.²⁴⁰
200. On 4 April 2023, the OfS’ Head of Quality and Standards, Nick Holland, published a blog post setting out the OfS’ “next steps” in assessing quality and standards. The blog set out that the OfS had “already recruited more than 70 academics to a pool of assessors” to provide expert academic judgement and is “now increasing the size of this pool” as it takes over assessment activities from the QAA. The blog argued that “there are not significant differences between the old and new arrangements”, as there are “no changes to the quality requirements providers will be tested against”.²⁴¹

Quality of the QAA’s work and response to OfS criticism

201. The OfS raised several issues with the QAA’s performance as the DQB in its triennial report, including that reports provided by the DQB were “not fit for purpose because they do not meet the OfS’ requirements for use in regulatory decisions”. The OfS argued that the QAA’s proposals for how to assess quality and standards in relation to new conditions of registration would not “enable the OfS to make reliable and robust regulatory decisions”. It also suggested that there was a conflict of interests between the QAA’s role as a membership organisation and the regulatory role it would have as the DQB.²⁴²
202. Vanessa Wilson of University Alliance said that to the sector, “it is very clear what the solution is”, arguing that “the QAA is expert in this area and should be the DQB”. She emphasised that “no other body at the moment could fulfil that role, which is frustrating because it is an important one”, noting that quality is “inherent” in the UK having a “world-leading higher education system”.²⁴³

237 Higher Education and Research Act 2017, [schedule 4](#)

238 OfS, *Summary of the OfS’ triennial report on the performance of the Quality Assurance Agency for Higher Education as the designated quality body* (January 2023): <https://www.officeforstudents.org.uk/media/284a26f6-4207-45db-a58f-b26258c1c930/summary-of-the-triennial-report-on-the-performance-of-the-designated-quality-body.pdf> [accessed 5 June 2023]

239 HC Deb, 30 March 2023, [HCWS695](#)

240 DfE, *De-designation of QAA as the designated quality body in England: government response* (30 March 2023): <https://www.gov.uk/government/consultations/de-designation-of-qaa-as-the-designated-quality-body-in-england> [accessed 5 June 2023]

241 OfS, ‘Assessing quality and standards: next steps’ (April 2023): <https://www.officeforstudents.org.uk/news-blog-and-events/blog/assessing-quality-and-standards-next-steps/> [accessed 5 June 2023]

242 OfS, *Summary of the OfS’ triennial report on the performance of the Quality Assurance Agency for Higher Education as the designated quality body* (January 2023): <https://www.officeforstudents.org.uk/media/284a26f6-4207-45db-a58f-b26258c1c930/summary-of-the-triennial-report-on-the-performance-of-the-designated-quality-body.pdf> [accessed 5 June 2023]

243 [Q 51](#) (Vanessa Wilson)

203. A large number of written submissions we received also expressed support for the QAA's expertise and approach, including the University of Huddersfield, which said that the QAA has the "significant and long-standing confidence of the sector".²⁴⁴ University Alliance stressed that "it took over two decades for the QAA to build a sophisticated, world-renowned quality assurance infrastructure ... that has global influence and reach".²⁴⁵
204. Anthony McClaran, now of GuildHE and formerly Chief Executive of the QAA, said that the situation in relation to conflicts of interest is "manageable" and "inherent" in higher education. He noted similar issues during his time at the Universities and Colleges Admissions Service (UCAS), which were managed "very carefully through separation of duties, separation of powers".²⁴⁶
205. Vicki Stott said that the OfS' view of the QAA's work is "an anomaly" and "at odds with other stakeholders for whom we do work, who have expressed their confidence in us". Her colleague Professor Simon Gaskell said that when the OfS was set up, "it was very much feeling its way", meaning that "there was some toing and froing about what exactly the OfS needed" from the QAA. He said "there is no dispute that we did not get that exactly right from the outset". However, he suggested that there were examples where the OfS "would change its mind about what it needed", meaning "it was sometimes difficult to keep up with OfS thinking".²⁴⁷
206. Prof Gaskell said that the OfS' triennial report included "errors of fact and unjustified implications". Vicki Stott said that even after the report, the OfS continued to commission the QAA to conduct assessments of providers. After the QAA announced its decision to demit the role (but before this took effect), they were "commissioned for a higher volume of assessments than we had ever been commissioned for before". She emphasised that the OfS has used DQB reports to make regulatory decisions, including "as recently as a fortnight" before the evidence session on 25 April 2023.²⁴⁸
207. Vicki Stott argued that the QAA does "not think that there is a conflict" between its membership model and its DQB operations. She explained that the QAA had "very strict firewalls and ethical barriers" which it was planning to strengthen "purely in order to reassure the OfS". She suggested that there are several precedents for bodies to hold both membership and regulatory functions, such as the Solicitors Regulation Authority and the General Medical Council, and argued that the QAA's membership work concerned "quality enhancement work" that "says nothing about compliance with the OfS' regulatory framework".²⁴⁹
208. Lord Wharton said that the OfS "cannot see a credible route for the QAA to return" to the DQB role, arguing that across a four-year period, "we could not use around two-thirds of the QAA's reports the first time they were submitted". He said that "it is not credible to suggest that we would concoct

244 Written evidence from the Academic Registrars Council ([WOS0014](#)), University of Huddersfield ([WOS0019](#)), Brunel University ([WOS0021](#)), Cathedrals Group of Universities ([WOS0022](#)), Oxford Brookes University ([WOS0023](#)), University of Southampton ([WOS0025](#)), University of Oxford ([WOS0029](#)), Engineering Institute of Technology ([WOS0031](#)), University of Suffolk ([WOS0036](#)) and University of Bolton ([WOS0045](#))

245 Written evidence from University Alliance ([WOS0040](#))

246 [Q 84](#) (Anthony McClaran)

247 [QQ 87–88](#) (Vicki Stott)

248 [Q 87](#) (Vicki Stott)

249 [Q 89](#) (Vicki Stott)

significant concerns about the work where none have existed”, noting that the QAA “has acknowledged to us at various points that there have been issues with its work.”²⁵⁰

209. Lord Wharton also argued that “it is not credible for a body to operate in the interests of paying members and make judgements to inform potentially high-stakes regulatory decisions about those same providers”. He acknowledged the sector’s “strong preference” for a designated body but explained that, while HERA allows for a DQB, it does not require one.²⁵¹
210. In supplementary written evidence, the QAA indicated that in the most recent year of DQB activity, between April 2022 and March 2023, the QAA only received feedback in relation to 3% of its reports. The QAA reiterated that the OfS has used DQB reports to make regulatory decisions, “often citing the reports directly”.²⁵²

Independence and differences in approach between QAA and OfS

211. Lord Johnson, the former Minister for Universities, said that “it is not surprising” that the current situation has arisen, as the QAA, though “impressive”, is “a legacy organisation”. He said that the QAA “embodies the ethos of co-regulation, where the sector manages quality and standards ... and government funds the sector and does not ask too many questions”. He argued that this spirit “clearly will not survive long in an environment where an active market regulator is looking out for the student and taxpayer interest”.²⁵³
212. Charles Clarke, the former Secretary of State for Education, argued in favour of co-regulation, suggesting that without it, either the Government or the regulator will be telling universities how they have to be run. He suggested that this would be “dangerous”, as “there is no way that a major university is able simply to accept diktats”.²⁵⁴
213. Sir David Eastwood, formerly of HEFCE, explained that in the 1990s, the quality body was initially established within the then-regulator but was “then spun out into the QAA, precisely because the quality assurance function is much more appropriately delivered by an arm’s-length body”.²⁵⁵
214. Alex Proudfoot of Independent Higher Education said that the value UK degrees have attained is “not from government diktat”, but from “the practice, history and excellence of UK institutions”. He argued that it is “entirely appropriate that a sector-owned, co-regulatory quality body looks at those standards and assesses that value”.²⁵⁶
215. The University of Westminster said that it is “unclear if sector standards have been maintained” because the OfS is “only interested in a metric driven approach” and has made clear that the Quality Code did not align with its new approach to student outcomes.²⁵⁷ The Higher Education Funding Council for Wales (HEFCW) also expressed concern that the OfS has

250 [Q 126](#) (Lord Wharton)

251 *Ibid.*

252 Supplementary written evidence from the Quality Assurance Agency for Higher Education ([WOS0068](#))

253 [Q 25](#) (Lord Johnson of Marylebone)

254 [Q 25](#) (Rt Hon Charles Clarke)

255 [Q 35](#) (Sir David Eastwood)

256 [Q 58](#) (Alex Proudfoot)

257 Written evidence from the University of Westminster ([WOS0007](#))

decided to “stop using the previously UK-wide core reference documents which defined the quality and standards of education”, such as the Quality Code for Higher Education.²⁵⁸

216. Vicki Stott acknowledged that “the intent of HERA is that the regulator should set expectations for quality”. However, she argued that the OfS “has gone beyond that in becoming overly prescriptive about the way that it manages” the DQB.²⁵⁹
217. The QAA’s written submission argued that the OfS’ approach “went beyond its powers” to provide general directions to the DQB and failed to protect the QAA’s expertise and its ability to make impartial assessments. It provided the example of an OfS direction on how the DQB should conduct standards assessments in early 2022 which was “highly specific and restrictive”, setting out the precise method of assessment, the maximum amount of time it should take, limitations on the evidence to be considered and requirements on how assessors should be trained.²⁶⁰
218. For the OfS, Susan Lapworth argued that the DQB’s assessments “have to be done in a way that fits properly and securely within” the regulatory framework, which is why HERA gives the OfS the ability “to issue directions about how the DQB works”. She suggested that “this dynamic is not well understood in the sector”, which does not understand “the absolute importance of the QAA’s work fitting in the wider hole” of the OfS’ regulatory framework.²⁶¹

International standards and cyclical review

219. We received substantial written evidence raising concerns about England’s departure from international standards on quality and the resulting risks to the sector’s international reputation, including from the Russell Group, which argued that ESG standards have “been a model of good practice”. The Group encouraged the OfS and the DfE “to work to address issues of non-compliance with the ESG” and to reflect the importance of alignment when considering long-term arrangements for the DQB.²⁶²
220. University Alliance said that divergence “puts the sector’s global reputation for quality at risk”.²⁶³ The Engineering Professors’ Council and the Engineering Council argued that this is a “very real example of where the OfS has negatively impacted the HE market”.²⁶⁴
221. Rachel Hewitt of MillionPlus explained that the departure from international standards “will now leave England operating in a different way from the devolved nations, which is challenging”, especially as internationally, the

258 Written evidence from the Higher Education Funding Council for Wales ([WOS0017](#))

259 [Q 92](#) (Vicki Stott)

260 Written evidence from the Quality Assurance Agency for Higher Education ([WOS0024](#))

261 [Q 126](#) (Susan Lapworth)

262 Written evidence from the Russell Group ([WOS0016](#)), University of Westminster ([WOS0007](#)), Academic Registrars Council ([WOS0014](#)), Cathedrals Group of Universities ([WOS0022](#)), University of Southampton ([WOS0025](#)), Manchester Metropolitan University ([WOS0032](#)), Universities UK ([WOS0034](#)), GuildHE ([WOS0035](#)), University of Suffolk ([WOS0036](#)), University Alliance ([WOS0040](#)), Engineering Professors’ Council and Engineering Council ([WOS0048](#)) and Imperial College London ([WOS0059](#))

263 Written evidence from University Alliance ([WOS0040](#))

264 Written evidence from the Engineering Professors’ Council and Engineering Council ([WOS0048](#))

higher education system “is often seen as UK-wide”,²⁶⁵ a point reiterated by the Higher Education Funding Council for Wales.²⁶⁶

222. Vicki Stott emphasised that the QAA cares about international standards “because they align with our principles and the way that we believe quality and standards are monitored in best practice. It is not simply blind adherence to a bureaucratic process.”²⁶⁷
223. Vicki Stott argued that England’s departure from international standards made it hard to open overseas campuses and attract international students sponsored by foreign governments, because those governments were “concerned that they could not see a recent enough quality report on the individual provider” and are “worried that there is no oversight”.²⁶⁸
224. Prof Gaskell said that the QAA “would be very willing to take on” the DQB role again if the principles of HERA and international standards were followed clearly. He argued that there is compatibility between the OfS’ approach and international guidelines, as “if you take a risk-based approach, clearly there is a need for periodic assessment of what the risk is”. However, he stressed that while the required reset is “minor in difficulty”, it is “major with respect to the philosophy involved”.²⁶⁹
225. Vicki Stott explained that the OfS’ concerns around publishing all DQB reports related to the potential for “legal pushback” if reports contained “negative judgements or negative opinions” about providers. She stressed that providers had the opportunity to fact-check and appeal judgements, including through judicial review. She stressed that nobody took a DQB report to judicial review during the QAA’s time in the role and there were only “a very small number” of appeals, and that this was therefore no reason not to publish reports.²⁷⁰
226. Lord Wharton stressed that the OfS cares “very much about the international reputation of the sector” but argued that this is “based on excellent teaching and research”, and not on “any particular quality assurance process”.²⁷¹
227. Susan Lapworth said that there is a mismatch between “the European expectations” and what HERA requires of the OfS, arguing that “the European approach does not properly accommodate a risk-based system” through its requirement for cyclical review. She argued that “the European model needs modernising and updating”, adding that the OfS has written to EQAR on some of those points.²⁷²
228. Following our evidence session with representatives of the OfS, the QAA provided us with an additional written submission. The QAA argued that “it is possible, within a risk-based system, to have a cyclical review element that is light on burden, meets the requirements of the European Standards and Guidelines ... and adds value for providers”. The QAA said that to its

265 [Q 58](#) (Rachel Hewitt)

266 Written evidence from the Higher Education Funding Council for Wales ([WOS0017](#))

267 [Q 87](#) (Vicki Stott)

268 [Q 90](#) (Vicki Stott)

269 [QQ 91–92](#) (Professor Gaskell)

270 [Q 87](#) (Vicki Stott)

271 [Q 125](#) (Lord Wharton of Yarm)

272 [Q 125](#) (Susan Lapworth)

knowledge, the OfS has “never undertaken any work to attempt to reconcile the two systems”.²⁷³

OfS’ capacity to take on quality and standards assessments

229. A large number of submissions raised concerns about the OfS taking on the DQB role, including the Cathedrals Group of Universities, which suggested that “as clearly intended by HERA, the DQB should be independent, and it is clearly inappropriate for the OfS to undertake this role”.²⁷⁴ Lord Johnson said that it “would not be my long-term wish for the OfS to do this itself”, in order to “preserve institutional autonomy”.²⁷⁵ Professor Neal Juster of the University of Lincoln said that he would “argue very strongly” that the DQB function should not remain with the OfS as it is “important that the quality system is separate from the regulator”.
230. Vivienne Stern of Universities UK emphasised that “it is important to keep a really clear separation between the Government of the day and what is taught in universities”. She argued that currently, “there is an absence of trust”, leading to concerns that judgments will be “coloured by factors that would not be accepted as legitimate”. However, she expected this trust to improve in the future.²⁷⁶
231. The Russell Group suggested that after a 12-month interim period, the OfS should “publish a report on its performance as the DQB and present this” to the DfE.²⁷⁷ This suggestion was echoed by Universities UK, who called for a review to consider value for money, effectiveness and the potential for future efficiencies, while noting that “an independent DQB remains most appropriate for external quality assurance”.²⁷⁸
232. Sir David Eastwood said that the OfS “does not have the capability” to undertake quality assurance assessments.²⁷⁹ Vicki Stott said that “there may well be a capability issue in the short term simply in resource”.²⁸⁰ Prof Gaskell said that the “surge of requests” from the OfS for the DQB to conduct reviews after the QAA announced its decision to leave the DQB role suggested “nervousness about taking the function in-house”.²⁸¹ The Engineering College of Technology, which is preparing an application for Degree Awarding Powers (DAPs) in England, suggested that its application is likely to stall because the OfS has confirmed that it does not have “the systems in place or the personnel to assess existing and new DAPs applications”.²⁸²

273 Supplementary written evidence from the Quality Assurance Agency for Higher Education ([WOS0068](#))

274 Written evidence from the Academic Registrars Council ([WOS0014](#)), National Union of Students ([WOS0015](#)), Brunel University ([WOS0021](#)), Cathedrals Group of Universities ([WOS0022](#)), Oxford Brookes University ([WOS0023](#)), University of Southampton ([WOS0025](#)), University of Plymouth ([WOS0026](#)), London Higher ([WOS0028](#)), University of Oxford ([WOS0029](#)), Association of School and College Leaders ([WOS0030](#)), Engineering Institute of Technology ([WOS0031](#)), Manchester Metropolitan University ([WOS0032](#)), Universities UK ([WOS0034](#)), GuildHE ([WOS0035](#)), University of Suffolk ([WOS0036](#)), Dr David Hitchcock, Dr Sylvia De Mars and Dr Emma Kennedy ([WOS0038](#)), University Alliance ([WOS0040](#)), UCISA ([WOS0041](#)), MillionPlus ([WOS0042](#)), Professor James Tooley ([WOS0046](#)) and Independent Higher Education ([WOS0065](#))

275 [Q 25](#) (Lord Johnson of Marylebone)

276 [Q 51](#) (Vivienne Stern)

277 Written evidence from the Russell Group of Universities ([WOS0016](#))

278 Written evidence from Universities UK ([WOS0034](#))

279 [Q 35](#) (Sir David Eastwood)

280 [Q 91](#) (Vicki Stott)

281 [Q 91](#) (Professor Gaskell)

282 Written evidence from the Engineering College of Technology ([WOS0031](#))

233. Prof Gaskell explained that the QAA has “suspected that the objective, at least on the part of some at the OfS, has been to prefer to bring the function in-house ... because they would feel a greater level of control”. He noted that this is allowed for by HERA “if no independent body is in a position to undertake it” but argued that “there is an independent body in a position to take it on” in the shape of the QAA.²⁸³
234. Susan Lapworth acknowledged that “lots of the conversation in Parliament was framed with an assumption” that the QAA would take on the DQB role, but “HERA is clear that there does not have to be a DQB”. She argued that the OfS taking on the role “is not unusual in other regulated sectors”, adding that “in lots of ways, it makes it easier for us to practically operate”.²⁸⁴
235. The Minister said that he is “completely open-minded as to whether it is an independent body or is done by the OfS”, as “both could do it well”. He said that he thinks “that the OfS can do this job perfectly well” and that “it is likely to remain in the OfS unless an independent body comes forward that the OfS feels it can work with”. He explained that he did not think any university had asked “for the OfS to become a cyclical regulator” and argued that he had “not seen any evidence that we are diverging in our standards”.²⁸⁵
- 236. We are concerned by England’s recent shift away from European quality standards, to the point that the QAA was temporarily suspended from the European Quality Assurance Register for Higher Education. Given the financial importance of overseas students to higher education institutions, it is crucial to maintain the international reputation of the sector. However, the regulatory approach in England has unnecessarily raised questions about the quality of higher education provision, including by making it unclear whether quality and standards are being regularly checked.**
- 237. When the HERA was passed, it was expected that the Quality Assurance Agency for Higher Education (QAA) would fulfil the Designated Quality Body (DQB) role. It is understandable that the OfS and the QAA, which are different bodies in style and philosophy, would have some issues as they adapted to the new framework.**
- 238. The OfS appears to have taken little responsibility for resolving these issues, despite frequent changes to what it expected to receive from DQB reports. While the OfS has the power to give the DQB general directions, it seems to have given very specific directions with little regard to the expertise and impartiality of the DQB. It is disappointing that the OfS apparently views its own convenience and control as more important than preserving independent oversight of quality and standards. Nor is it clear why the OfS acted in the way that it did.**
- 239. It is not clear whether the OfS has or will be able to develop the capability to take on the DQB role smoothly. It is clear, however, that the OfS does not have the confidence of the sector in providing an impartial assessment of quality and standards. The current situation**

283 [Q 91](#) (Professor Gaskell)

284 [Q 126](#) (Susan Lapworth)

285 [Q 148](#) (Robert Halfon MP)

has the potential to be both impractical and a threat to academic independence.

240. **The QAA has the confidence of providers and a strong international reputation. By contrast, the OfS’ approach to quality has fallen out of alignment with international standards and called into question the international reputation of the sector. However, the circumstances of the QAA’s de-designation remain unclear and contested, and the difficulties we faced in getting a clear account of these issues is a problem in and of itself.**
241. *The OfS should work urgently to align its framework for quality with international standards, including by publishing all assessment reports and including students on assessment teams. The OfS should explore the extent to which its own assessment of risks as part of its risk-based framework and its broader regulatory activity can count as cyclical review.*
242. *The OfS should make the necessary adjustments to its framework to comply with international standards and respect the DQB’s need to make impartial assessments of quality and standards, with a view to allowing the QAA or another arms-length body to perform the role.*
243. *The OfS should provide a transparent estimate of the additional costs to be incurred by taking on the DQB role and report annually thereafter on the cost and effectiveness of its performance of the role.*

Competition, choice and new entrants

New entrants

244. Greater competition and choice was a key priority of the Government during the passage of HERA. In the White Paper that preceded HERA, then Minister for Universities Lord Johnson²⁸⁶ outlined that the Government would “make it quicker and easier for new high quality challenger institutions to enter the market and award their own degrees”.²⁸⁷
245. At the time, Lord Johnson said that the “new Office for Students will put competition and choice at the heart of sector regulation”. The White Paper argued that competition would incentivise providers “to raise their game” and would “help drive up teaching standards overall; enhance the life chances of students; drive economic growth; and be a catalyst for social mobility”.²⁸⁸
246. Accordingly, HERA requires that in performing its functions, the OfS must have regard to the need to promote “greater choice and opportunities for students” and to “encourage competition between English higher education providers”. It also gives the OfS the power to register providers and to authorise them to grant degrees.²⁸⁹ In 2023, 12 new providers have been

286 At the time, Rt Hon Jo Johnson MP.

287 Department for Business, Innovation and Skills, *Success as a knowledge economy: teaching excellence, social mobility and student choice* (16 May 2016): <https://www.gov.uk/government/publications/higher-education-success-as-a-knowledge-economy-white-paper> [accessed 14 June 2023]

288 *Ibid.*

289 Higher Education and Research Act 2017, [section 2](#), [section 3](#) and [section 42](#)

added to the OfS Register, the majority offering business courses in large cities.²⁹⁰

247. During our inquiry, Lord Johnson told us that this is the area where he is “most critical” of the OfS, arguing that it has “ignored the duties that Parliament gave it to promote competition and choice”. He said that there have been “some great examples of new providers coming in” but suggested that they “have really struggled with the combination of processes” in the OfS and the QAA to receive degree awarding powers, which have involved “unbelievable bureaucracy and foot-dragging”.²⁹¹
248. In particular, Lord Johnson expressed frustration with the OfS’ “failure to tackle the problems” with the validation system, whereby new providers can enter the system by being validated by an existing, established provider. Lord Johnson argued that this approach “is an inherent brake on innovation and competition”. He called for the OfS to “address this seriously”.²⁹²
249. Alex Proudfoot also criticised the validation system, suggesting that to find a validator, “you would normally have to know someone” and it is “very much about your own network”. He argued that there is “no transparency around the process or the costs”, suggesting that this area of regulation “has not received the attention it needs”.²⁹³
250. Alex Proudfoot said that enabling new providers is “a crucial piece” of the vision of HERA “that has not borne necessary fruit”. He argued that the application process is “not transparent enough and it is too slow”, explaining that some institutions “have been waiting for six months for an acknowledgement of their inquiry”. He argued that “that level of efficiency is not really good enough”.²⁹⁴
251. Dame Nicola Dandridge, former Chief Executive of the OfS, said that there have been “some very good ... and very welcome” new entrants but emphasised “the reality ... that it is very difficult to set up a new university or higher education provider, and perhaps it was a bit overoptimistic to expect that there should be large numbers of new high-quality providers”.²⁹⁵
252. Professor Dame Nancy Rothwell of the University of Manchester questioned “how attractive it is to be a new provider”, explaining that she had spoken to someone interested in starting a new university, and “once we had talked through the financial model of universities, the regulations and all the other things we had to do, he decided not to do it.”²⁹⁶
253. Prof Gaskell said that “the strictures placed on new providers should exactly parallel the standards that are applied across the board”, explaining that a new provider will have “less history, if any, to point to as evidence of the quality and standards in its provision, in comparison with established universities”.²⁹⁷

290 OfS, ‘Monthly bulletin of regulatory activity’: <https://www.officeforstudents.org.uk/advice-and-guidance/the-register/regulatory-activity-for-individual-providers/monthly-bulletin-of-regulatory-activity/> [accessed 17 July 2023]

291 [Q 21](#) (Lord Johnson of Marylebone)

292 *Ibid.*

293 [Q 55](#) (Alex Proudfoot)

294 *Ibid.*

295 [QQ 4 and 10](#) (Sir Michael Barber, Dame Nicola Dandridge)

296 [Q 41](#) (Dame Nancy Rothwell)

297 [Q 93](#) (Professor Simon Gaskell)

254. Vicki Stott explained that the criteria for DQB assessments “were set by the OfS”, and in the case of degree awarding powers assessments providers had to “submit evidence for 58 criteria”. She explained that the regulatory framework “allows providers complete autonomy in deciding” how they satisfy the criteria, which means “there is no sense of what providers need to submit”.²⁹⁸
255. Susan Lapworth said that there are “around 415 registered providers now” and “about 50 of those are what we call new providers”. She emphasised the need to balance “easing the route for good providers ... with making sure that we are still rigorous in our assessment”. She explained that the OfS revised its guidance for registration in late 2022 to be “clearer for providers about what the process entails”. This sets out the OfS’ view that “it should take around eight to ten months for registration for a provider that is ready to go and can provide everything that we need”.²⁹⁹
256. The Minister said that he wants “more new entrants” and emphasised that when the LLE³⁰⁰ is in place, “there will be a lot more new providers wanting to offer flexible and modular learning”.³⁰¹ However, in December 2022, the DfE’s memorandum on post-legislative scrutiny of HERA indicated that “it is not currently government policy to actively seek to increase the numbers of HE providers”.³⁰²
257. *It is welcome that the OfS has provided new guidance to new entrants on its registration process. After a suitable period, the OfS should review the impact of this guidance in encouraging new entrants into the sector, with the aim of streamlining the process and increasing innovation in provision, set against realistic targets. In a similar vein, the OfS should produce greater guidance on validation, outlining the likely requirements, costs and timescales of the process.*

Diversity of provision

258. Provided the relevant legislation is passed, the Government’s intention is that from 2025, the current systems for student finance will be replaced by the Lifelong Loan Entitlement (LLE). The LLE will provide all new learners with a tuition fee loan entitlement to the equivalent of four years of post-18 education to use up to the age of 60. The LLE is intended to be used flexibly for full-time or part-time study of modules or full qualifications in colleges or universities.³⁰³
259. Announcing the move, the DfE described the LLE as “like a flexi-travel card”, allowing people “to jump on and off their learning, as opposed to having a ticket with a single destination”.³⁰⁴ The Lifelong Learning (Higher

298 Q 93 (Vicki Stott)

299 Q 118 (Susan Lapworth)

300 See para 256.

301 Q 144 (Robert Halfon MP)

302 DfE, *Memorandum to the Education Select Committee: Post-legislative scrutiny of the Higher Education and Research Act 2017* (December 2022): https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1124146/Post-legislative_scrutiny_HERA_2017_print_version.pdf

303 House of Commons Library, ‘The Lifelong Loan Entitlement’, Research Briefing [CBP 9756](#), April 2023

304 DfE, ‘Student finance to be radically transformed from 2025’ (7 March 2023): <https://www.gov.uk/government/news/student-finance-to-be-radically-transformed-from-2025>

Education Fee Limits) Bill, which introduces the LLE, is currently passing through Parliament. It has passed its initial Commons stages and, at the time of writing, is awaiting third reading in the House of Lords.³⁰⁵

260. Charles Clarke suggested that “most universities have been very inflexible in creating their course structures in such a way that people can join at various points throughout their lives”. He argued that “the modern world requires much more flexible and effective universities”.³⁰⁶
261. UCAS projects that “there could be up to a million HE applicants in a single year by 2030, up from almost three quarters of a million today”.³⁰⁷ Alex Proudfoot said that “the biggest challenge of our time for the sector is how we meet that demand”. He argued that this “will not all be a traditional university degree programme” and will involve “different types of students who have different time commitments, different responsibilities, different passions and different ways of learning”, which is “really exciting”.³⁰⁸
262. However, Alex Proudfoot did not feel that “the Government or the OfS have grappled with that challenge, which is massive”. In particular, he argued that “none of the current ways” in which the OfS measures quality and outcomes “will work for LLE”. Rachel Hewitt agreed, adding that “sometimes, the way that regulation operates can slightly stifle” diversity of provision.³⁰⁹
263. The Cathedrals Group of Universities agreed that the OfS’ value for money metrics “simply will not fit the learning pathways which will be encouraged and supported” by the LLE, “since they are based on the model of three years’ continuous undergraduate education”, a point also raised by other witnesses.³¹⁰
264. Lord Wharton said that the LLE “will be a significant change for the sector” and explained that “the OfS will have an important role in delivering it”.³¹¹ The Minister said that the LLE “will be transformative because we are moving to flexible and modular learning” and “there will be a lot more new providers” wanting to offer that. He emphasised that “we need a diverse offering” and said that “the obsession should be about skills and jobs” rather than universities.³¹²
265. **We welcome the proposed introduction of the Lifelong Loan Entitlement. However, there are concerns that the OfS’ approach to regulation may stifle innovation and the prospects for a greater diversity of provision. It is also unclear whether the OfS is prepared for this substantial new role.**
266. *As it takes on its role in relation to the Lifelong Loan Entitlement, the OfS will need to review whether its approach to assessing student outcomes is flexible enough to accurately cover short courses and diverse forms of provision without overly burdening providers.*

305 [Lifelong Learning \(Higher Education Fee Limits\) Bill](#)

306 [Q 21](#) (Rt Hon Charles Clarke)

307 Written evidence from the Universities and Colleges Admissions Service ([WOS0063](#))

308 [QQ 55 and 59](#) (Alex Proudfoot)

309 [QQ 55 and 59–60](#) (Rachel Hewitt)

310 Written evidence from the Cathedrals Group of Universities ([WOS0022](#)), London Higher ([WOS0028](#)), Universities UK ([WOS0034](#)), MillionPlus ([WOS0042](#))

311 [Q 118](#) (Lord Wharton)

312 [QQ 144 and 149](#) (Minister Halfon)

CHAPTER 6: THE STUDENT INTEREST AND STUDENT ENGAGEMENT

The student interest

267. As its name suggests, a central part of the rationale for the establishment of the OfS was to re-orientate the regulation of higher education towards the interests of students. Lord Johnson, the former Minister for Universities, said that the OfS had been clear from the outset “that it was regulating in the student interest, not in the provider interest”.³¹³ Susan Lapworth of the OfS told the Committee that “the whole organisation from the board down is focused on the interests of students ... It permeates the organisation.”³¹⁴
268. Though he expressed support for the OfS’ focus on students, the OfS Chair, Lord Wharton, admitted that it could also create challenges: “the fact that ‘student’ is in the name of the OfS and our regulatory approach can create expectations from students that sometimes we may not be able to meet”. He added that the OfS has this issue in its organisational risk register.³¹⁵

Defining the student interest

269. Dame Nicola Dandridge, the former Chief Executive of the OfS, highlighted that while some current student concerns, such as the cost of living, were not in the OfS’ remit, there were others which were “very germane and fundamental” to the OfS’ remit and were taken “very seriously”, such as support from universities, contact hours and assessments. Similarly, Sir Michael Barber, former Chair of the OfS, highlighted student concerns over a lack of both one-to-one feedback on assignments and adequate study space.³¹⁶
270. There was, however, a view that the OfS had not done enough to define what it thought “the student interest” was. Professor Paul Ashwin, a Professor of Higher Education at Lancaster University, said that the OfS “has not produced any significant public work exploring and mapping the interests of students.”³¹⁷ Charles Clarke, the former Education Secretary, expressed similar views, as did Miranda Harmer, a former member of the OfS Student Panel.³¹⁸
271. Prof Ashwin said that the student interest “tends to be defined by someone other than the students themselves”, adding: “As the OfS has done nothing to meaningfully map these [interests], the Government can instruct and encourage the OfS to act in a ‘student interest’ that is defined simply to reflect the interests of the Government”.³¹⁹
272. For Chloe Field of the NUS, the OfS’ understanding of student interests “is driven 100% by political priorities”, meaning it was “working for the Government interest” instead of students.³²⁰ Francesco Masala, a former member of the OfS Student Panel, said that student representatives would

313 [Q 19](#) (Lord Johnson of Marylebone)

314 [Q 121](#) (Susan Lapworth)

315 [Q 121](#) (Lord Wharton)

316 [Q 6](#) (Dame Nicola Dandridge)

317 Written evidence from Professor Paul Ashwin ([WOS0002](#))

318 Written evidence from Miranda Harmer ([WOS0064](#)). See also [Q 34](#) (Sir David Eastwood)

319 Written evidence from Professor Paul Ashwin ([WOS0002](#)) and [Q 19](#) (Charles Clarke)

320 [Q 68](#) (Chloe Field)

encounter “someone in a boardroom who is going to tell you what you really think and what you really want.”³²¹

273. The OfS’ recent focus on freedom of speech (see Box 2) was cited by witnesses as a particular example of this issue. Chloe Field said this was “definitely not a priority for students” and suggested that it was “used as a political tool” to portray students as “snowflakes” in parts of the media.³²² Vanessa Wilson of University Alliance said that “if you ask students how they feel about freedom of speech ... they do not cite it as a problem at all.”³²³
274. Mack Marshall of Newcastle University Students’ Union said: “the key things that students are worried about right now are the cost-of-living crisis, wellbeing and industrial action. We do not hear anything from the Office for Students on those things, or at least nothing substantial enough ... to improve the student experience.”³²⁴
275. Current and former representatives of the OfS accepted that the cost-of-living crisis was a top priority for students, but argued that this was largely outside of the OfS’ remit.³²⁵ Lord Wharton said: “We see students as at the heart of what we do. That does not mean that we can do everything that students might want us to do”.³²⁶ He accepted that there were different views on freedom of speech, but said: “If Parliament passes the Freedom of Speech Bill ... We do not have an option about that: we will be statutorily required to undertake that role”.³²⁷
276. **Although the name and role of the OfS places students at the heart of its work, some student concerns, such as the cost of living, are not within its remit or ability to address as a higher education regulator. This is an inevitable limiting factor on its ability to act in students’ interests and can fuel a perception that it is not focused on students’ priorities.**
277. **It is far from clear to many in the sector how the OfS defines “the student interest”, and therefore how it addresses it. There is a perception among some that “the student interest” is defined by the OfS in line with the political priorities of Ministers rather than the priorities of students. Its recent focus on freedom of speech issues was cited by witnesses as a key example of this.**
278. *The OfS should conduct detailed scoping work on how it defines “the student interest” and how this informs its work. This work should be informed by engagement with students, and the results should be published in a transparent manner.*

Student engagement

279. The OfS told us: “As we regulate in the student interest, it is important that students influence our work and decisions.”³²⁸ The OfS has a student engagement strategy, which was first published in 2020. In 2023, it published

321 [Q 73](#) (Martha Longdon)

322 [Q 64](#) (Chloe Field)

323 [Q 51](#) (Vanessa Wilson)

324 [Q 107](#) (Mack Marshall)

325 [Q 121](#) (Lord Wharton of Yarm) and [Q 6](#) (Dame Nicola Dandridge)

326 [Q 121](#) (Lord Wharton of Yarm)

327 *Ibid.*

328 Written evidence from the OfS ([WOS0001](#))

an updated document that sets out its priorities for “building a culture of student engagement”, with a particular focus on quality and on equality of opportunity.³²⁹ The OfS’ various workstreams on student engagement are set out below.

The Teaching Excellence Framework

280. The Teaching Excellence Framework (TEF) is a national scheme run by the OfS that aims to encourage higher education providers to improve and deliver excellence in teaching, learning and student outcomes. The TEF does this by assessing and rating universities and colleges for excellence above a set of minimum quality requirements. Providers that take part in the TEF receive an overall rating and two underpinning ratings, one for student experience and the other for student outcomes.³³⁰
281. There are several mechanisms for student engagement within the TEF. Students can submit their views on the quality of their educational experience and outcomes through the TEF. They are also involved in the decision-making process: the TEF panel, which makes decisions on assessments and ratings for providers, comprises 20 student members and 40 academic members.³³¹
282. Martha Longdon, the former OfS Student Panel Chair, told the Committee that the involvement of students within the TEF had increased over time following student feedback, which had led to the inclusion of students as main panel members, as well as a change in approach to how survey feedback was used, which had been “a real win for students”.³³²
283. Several witnesses criticised the OfS for releasing guidance on submissions to the TEF in October 2022, which they argued left insufficient time ahead of a January 2023 deadline. Mack Marshall described the TEF as “a fantastic opportunity” but added that the timeline had made student engagement less effective.³³³

The National Student Survey

284. The National Student Survey (NSS) is an annual survey of over 300,000 final-year undergraduate students, operated and funded by the OfS. In its written evidence, the OfS said that the NSS “informs prospective students’ higher education choices; supports universities and colleges to make improvements to their teaching, assessment, and other aspects of the student academic experience; and supports public accountability.”³³⁴ The results of the most recent NSS were published on 10 August 2023.³³⁵

329 OfS, *Building a culture of student engagement: our priorities 2022–23* (June 2022): <https://www.officeforstudents.org.uk/media/e444c01a-bf0e-4984-b7dc-a35a2d0929c4/building-culture-se-final.pdf> [accessed 12 June 2023]

330 OfS, ‘About the TEF’ (24 June 2020): <https://www.officeforstudents.org.uk/advice-and-guidance/teaching/about-the-tef/> [accessed 12 June 2023]

331 Q 121 (Susan Lapworth)

332 Q 69 (Martha Longdon)

333 Q 108 (Mack Marshall, Rania Regaieg) and written evidence from the Academic Registrars’ Council (WOS0014), written evidence from the Russell Group (WOS0016)

334 Written evidence from the OfS (WOS0001)

335 OfS, ‘Over 339,000 students cast their views in National Student Survey’, 10 August 2023: <https://www.officeforstudents.org.uk/news-blog-and-events/press-and-media/over-339-000-students-cast-their-views-in-national-student-survey/> [accessed 29 August 2023]

285. Charles Clarke said the NSS was “widely regarded as a worthwhile development”.³³⁶ However, Sir David Eastwood, the former Chief Executive of HEFCE, described the NSS as “a summary survey, often influenced by particular moments in a student’s career rather than a real-time dialogue between universities, students and the regulator.”³³⁷
286. Mack Marshall raised questions over how the OfS responded to NSS results: “if the OfS was responding to the NSS as the big student survey and that was driving its work, we would see more regulation on things such as assessment and feedback.”³³⁸
287. Several respondents, including the Higher Education Funding Council for Wales, also noted that the OfS had removed a question from the NSS on overall student satisfaction and added in a question on freedom of speech, despite opposition to both these steps from respondents to its consultation on the survey.³³⁹ In the 2023 NSS in England, students were asked how free they felt to express their ideas, opinions and beliefs. 86% of student respondents in England responded positively to the question.³⁴⁰

Student representation on the OfS Board

288. Under HERA, at least one member of the OfS board “must have experience of representing or promoting the interests of individual students, or students generally”.³⁴¹ The OfS has chosen to implement this requirement by having a single student representative on its board, who also acts as the Chair of the OfS Student Panel. All OfS board members, including the student representative, are appointed by the Secretary of State.
289. Several witnesses cited the student representative on the board as a key part of the OfS’ student engagement.³⁴² Martha Longdon, who performed this role, said that part of the role was to “represent and reflect the views of the student panellists” to the Board.³⁴³
290. Professor Susan Lea, formerly of the University of Hull, argued that “having two students on a board can often be more helpful and encourage them to speak more ably and with more confidence.”³⁴⁴ More broadly, Chloe Field argued that “it is all well and good having a position at the table, but if someone does not feel comfortable about speaking and does not feel listened to, it will not be proper student engagement”.³⁴⁵

The Student Panel

291. The OfS Student Panel “exists to challenge and improve OfS policy development and making by putting the student voice at the heart of the OfS” and “ensures that students’ and graduates views inform the OfS”

336 [Q 19](#) (Rt Hon Charles Clarke)

337 [Q 34](#) (Sir David Eastwood)

338 [Q 107](#) (Mack Marshall)

339 Written evidence from the Higher Education Funding Council for Wales ([WOS0017](#)), written evidence from the Oxford Brookes University ([WOS0023](#)), [Q 50](#) (Vivienne Stern) and [Q 76](#) (Francesco Masala)

340 Office for Students, ‘National Student Survey data’: <https://www.officeforstudents.org.uk/data-and-analysis/national-student-survey-data/> [accessed 29 August 2023]

341 Higher Education and Research Act 2017, [schedule 1 \(2\(3\)\)](#)

342 [Q 5](#) (Dame Nicola Dandridge), [Q 23](#) (Lord Johnson of Marylebone) and [Q 50](#) (Vivienne Stern)

343 [Q 69](#) (Martha Longdon)

344 [Q 34](#) (Professor Susan Lea), [Q 43](#) (Dame Nancy Rothwell) and written evidence from the Russell Group ([WOS0016](#))

345 [Q 62](#) (Chloe Field)

policy development and implementation.” At present, the Panel consists of 13 members, selected through “fair and open recruitment”.³⁴⁶

292. The OfS also told us that Panel members include “undergraduates, postgraduates, those studying at pre-higher education levels, and those from underrepresented groups in higher education such as care leavers and mature students”.³⁴⁷ The Minister described the Panel as the most important part of the OfS’ student engagement strategy.³⁴⁸
293. Martha Longdon said the Panel’s role was to “provide a student perspective within the OfS, sometimes to the board, sometimes to staff”. The Panel, she said, would discuss issues raised by its members, students and student engagement by the OfS, but also the emerging priorities of the OfS in their regulatory work, and Government priorities as they trickled down through regulation.³⁴⁹
294. There was some criticism of the way the OfS framed the Panel’s role. Francesco Masala felt that there was “always a tension at the outset on what the Panel was set out to do”, as “our letter of appointment said that we were at the OfS to represent the student interest, but the OfS website says that we are there to challenge and work with the OfS board. We were also told countless times that we were not student representatives”.³⁵⁰

The impact of the Student Panel

295. Giving an example of the impact of the Panel, Francesco Masala said that he had raised an issue whereby students who had applied to a hardship fund during the pandemic were often not allowed to apply a second time. This was communicated via the OfS to the DfE, and led to a clarification by ministers and providers that students could apply to the fund more than once.³⁵¹
296. Miranda Harmer said that while the Panel’s views “were listened to, to a certain extent”, there were also times when “we were told it wasn’t within the OfS’ remit, or ... that we could return to that topic at a later date, where 90% of the time the OfS never did”, meaning that there were “many missed opportunities” during her tenure. Harmer recommended that the Panel be given “opportunities to proactively influence and advise within the OfS”, which she said “feels like a cultural change rather than a procedural one”.³⁵²
297. Martha Longdon and Francesco Masala cited an occasion where Student Panel members had raised the issue of “inclusive curricula”. After this, they noticed “a significant lack or lessening of engagement” from the OfS, as well as an occasion where a senior OfS representative issued the Panel with “a sort of veiled implication that if students were to continue to say things that were not aligned to their particular views, the position and the future of the panel may be reassessed.”³⁵³ We received a similar account from an anonymous former member of the Student Panel, who said such instances

346 OfS, *Office for Students (OfS) student panel: Terms of reference 2021–22*, <https://www.officeforstudents.org.uk/media/a84daeb7-dd29-4d00-a531-460bec7c3ecb/ofs-student-panel-terms-of-reference-2021-22.pdf> [accessed 19 July 2023]

347 Written evidence from the OfS ([WOS0001](#))

348 [Q 146](#) (Robert Halfon MP)

349 [Q 69](#) (Martha Longdon) and written evidence from Miranda Harmer ([WOS0064](#))

350 [Q 70](#) (Francesco Masala)

351 [Q 69](#) (Martha Longdon)

352 Written evidence from Miranda Harmer ([WOS0064](#))

353 [Q 78](#) (Martha Longdon and Francesco Masala)

“do nothing to assure students ... about the OfS’ independence”.³⁵⁴ Miranda Harmer also said that the Panel “was made aware that our position was one of privilege, and there were comments and concerns about having that privilege revoked”.³⁵⁵

298. For the OfS, Susan Lapworth said the Panel had “done really important work with us over recent times”, including an “instrumental” role in ensuring the TEF included student submissions, while her predecessor Dame Nicola Dandridge said the Panel had had “significant input into our strategy development”.³⁵⁶
299. The OfS’ written submission also cited examples of the Panel’s contribution: “highlighting the impact of the pandemic on students; helping to shape our review of the National Student Survey; informing our digital teaching and blended learning reviews, advising on access and participation plans; and informing our work on tackling harassment and sexual misconduct”.³⁵⁷ Lord Wharton told the Committee that the OfS is “presently looking at the way the Student Panel works and what we can do to expand it” so as to “influence more clearly some of the outcomes of the OfS’ work”.³⁵⁸

Student panel diversity

300. Several witnesses said that the Student Panel was not representative of the student population. For Francesco Masala, this was partly because it was “not necessarily designed to be a representative body ... With a body of 15 people, there is only so much that can be achieved in terms of that direct representation”.³⁵⁹ Similarly, the NUS described the Panel as a “consultative focus group”, meaning that, while valuable, it could not replace the need for “external, representative student input.”³⁶⁰
301. Rachel Hewitt of MillionPlus and Alex Proudfoot of Independent Higher Education both said that more could be done to include students from different backgrounds and the independent sector.³⁶¹ Meanwhile, Susan Lea said that while the panel was diverse in some ways, it was dominated by postgraduates, with only one undergraduate student on the current panel.³⁶²

Other engagement

302. In addition to these mechanisms for formal engagement, we heard that the OfS also engages with the NUS and other student representative bodies on an ad hoc basis. Dame Nicola Dandridge said that the first speech she had given as Chief Executive of the OfS was to the NUS, and that the OfS had met with the NUS and other bodies on a regular basis.³⁶³
303. For the NUS, however, Chloe Field said that formal engagement between the two organisations was primarily between senior leaders. She also pointed

354 Anonymous written evidence ([WOS0070](#))

355 Written evidence from Miranda Harmer ([WOS0064](#))

356 [Q 6](#) (Dame Nicola Dandridge) and [Q 121](#) (Susan Lapworth)

357 Written evidence from the OfS ([WOS0001](#))

358 [Q 122](#) (Lord Wharton of Yarm)

359 [Q 70](#) (Francesco Masala)

360 National Union of Students ([WOS0015](#))

361 [Q 57](#) (Rachel Hewitt and Alex Proudfoot) and written evidence from the Academic Registrars’ Council ([WOS0014](#))

362 [Q 34](#) (Susan Lea)

363 [Q 6](#) (Dame Nicola Dandridge)

out that the NUS has never had an *ex officio* place on the OfS' Board in the way it does in other sector organisations such as the QAA, nor is it currently represented on the Student Panel.³⁶⁴

304. A specific criticism was made regarding the OfS approach to student engagement on quality and standards (discussed in further detail in Chapter 5). The QAA told us that the OfS had “deprioritised student engagement in its regulatory approach to quality and standards” by instructing the QAA not to include students in some assessments.³⁶⁵

Overall assessment of OfS engagement with students

305. Several witnesses were negative about the overall quality of OfS student engagement. From the student perspective, Rania Regaieg of the University of West of England Students' Union said that, in her experience, engagement from the OfS had been “minimal”, while Miranda Harmer said it was “always top down rather than bottom up”.³⁶⁶ Professor Neal Juster of the University of Lincoln did not think the OfS engaged with students any better than it did with providers.³⁶⁷
306. A key criticism the Committee heard was that, while the OfS did listen to the concerns of students, it was unclear that it acted upon them.³⁶⁸ Francesco Masala said that it was “difficult to see the connection between what was raised in any consultation with students to actual changes in OfS policy.”³⁶⁹ Similarly, Vivienne Stern of Universities UK said that, while the OfS had the infrastructure for engagement and did consult students, “it is sometimes not entirely clear how the responses have influenced the outcome”.³⁷⁰
307. A number of witnesses called for greater transparency and communication from the OfS regarding the impact of student engagement.³⁷¹ Miranda Harmer said that “an annual report on student voice impacting OfS' work would be a fantastic outcome of this inquiry: it would hold the OfS to account and give the Student Panel more ownership over the work they do and impact they have.”³⁷²
308. For the OfS, both Susan Lapworth and Lord Wharton said they liked the idea of clarifying in the OfS' annual reports how the Student Panel's work had influenced their outcomes, and said they would consider it further.³⁷³ The OfS' business plan for 2023–24 states that, as part of their student engagement, they will “demonstrate where student insight has had an impact on our work”, though no further details are given.³⁷⁴

364 [Q 61](#) (Chloe Field)

365 Written evidence from the Quality Assurance Agency for Higher Education ([WOS0024](#)) and the Academic Registrars Council ([WOS0014](#))

366 [Q 106](#) (Rania Regaieg), written evidence from Miranda Harmer ([WOS0064](#)) and the Academic Registrars Council ([WOS0014](#))

367 [Q 43](#) (Professor Neil Juster)

368 [Q 61](#) (Chloe Field) and [Q 71](#) (Francesco Masala)

369 [Q 71](#) (Francesco Masala)

370 [Q 50](#) (Vivienne Stern MBE)

371 Written evidence from the National Union of Students ([WOS0015](#)) and the Academic Registrars' Council ([WOS0014](#))

372 Written evidence from Miranda Harmer ([WOS0064](#))

373 [Q 122](#)

374 OfS, *Business plan 2023–24*: <https://www.officeforstudents.org.uk/media/65e5827f-0634-49c6-953e-66c3c5f2b128/ofs-business-plan-2023-24-accessible.pdf> [accessed 18 August 2023]

309. Another concern, raised by Chloe Field, was that student input was only taken on board if it reflected what the OfS already wanted to do.³⁷⁵ This was corroborated by Francesco Masala: “our voice and our input were valued and actively taken into consideration so long as we did not rock the boat”.³⁷⁶
310. Several current or former students felt that student input was treated by the OfS as, to quote Chloe Field, “a tick-box exercise”.³⁷⁷ Miranda Harmer said that it felt like “the OfS’ work is influenced by others with the student voice shoehorned in”, while Mack Marshall said students were treated as “an add-on” rather than “partners”.³⁷⁸
311. Martha Longdon expressed support for a different type of engagement consisting of “co-creation and partnership, where students are involved from day one in helping to collaboratively problem-solve within the sector”.³⁷⁹ Mack Marshall described this as “the best way to deliver results and to get a student-centred experience”.³⁸⁰
312. We also heard that student awareness of the OfS is low. Both Prof Juster and Mack Marshall said that most students did not know what the OfS was, though the latter added, “For the most part, they do not need to”.³⁸¹ The Russell Group also said students would welcome a greater understanding of the OfS and the value it could add for them.³⁸²
313. **The OfS’ mechanisms for engaging students, such as the student board member, Student Panel and the National Student Survey (NSS), are welcome and can provide valuable input. However, it is not clear how this input is used by the OfS or the extent to which it drives its work. The students we spoke to felt that the OfS did not always act on their concerns and suggested that it treated engagement as a tick-box exercise. There was also a perception that the OfS is more likely to take student input on board when it aligns with the OfS’ own direction.**
314. **It is positive that the OfS is now considering how the Student Panel can be made more effective and impact more on the OfS’ decision-making. However, it is important that these reforms allow the Panel to continue to focus on student priorities as well as the priorities of the OfS.**
315. **It was deeply concerning to hear allegations that the OfS issued veiled threats regarding the future of the Student Panel because members raised issues deemed to be of importance to students. This is precisely the sort of activity that the Student Panel would be expected to do, and it suggests that the OfS is not open or responsive to the feedback it receives from the Panel.**
316. *Given the OfS’ responsibility for defending student interests, it should refresh its approach to student engagement by opening up*

375 [Q 61](#) (Chloe Field)

376 [Q 72](#) (Francesco Masala)

377 [Q 63](#) (Chloe Field)

378 Written evidence from Miranda Harmer ([WOS0064](#)) and [Q 107](#) (Mack Marshall)

379 [Q 77](#) (Martha Longdon) and written evidence from the University of Southampton ([WOS0025](#))

380 [Q 107](#) (Mack Marshall)

381 [Q 43](#) (Professor Neil Juster) and [Q 109](#) (Mack Marshall)

382 Written evidence from the Russell Group ([WOS0016](#))

more of its work to co-creation with students. It should also consider deepening its engagement with student representative bodies, such as the National Union of Students.

317. *The OfS should set out annually how it has gathered student input and how this has driven its priorities and decision-making, either as part of its Annual Report or in a standalone report.*
318. *Student awareness of what the OfS is and what it does appears to be low. The OfS should do more to communicate its work to students, particularly the impact of its student engagement work.*
319. *The Student Panel must remain free to raise issues that are of importance to students, including where the views of students diverge from those of the Government.*
320. *Although the Student Panel is not designed to be a representative body, the OfS should ensure the Panel encompasses the diversity of the student population to the greatest extent possible, in particular in the balance between undergraduate and postgraduate students.*
321. *We recommend that there are at least two student representatives on the OfS' Board, to support those involved in feeling more confident to make contributions.*

CHAPTER 7: THE REGULATORY FRAMEWORK, SECTOR RELATIONS AND RESOURCES

The regulatory framework

322. As set out in Chapter 2 of this report, the OfS is not the only regulator in the higher education sector. The OfS' approach to regulation should be understood within this context.
323. HERA requires the OfS to “prepare and publish a regulatory framework”, consisting of “a statement of how it intends to perform its functions” and guidance for registered providers on the general ongoing registration conditions. HERA also provides the OfS with powers to set both initial and ongoing registration conditions for providers and to enforce the conditions.³⁸³
324. In performing its duties, HERA requires the OfS to have regard to “the need to protect the institutional autonomy of English higher education providers”. This includes the freedom of providers “to determine the content of particular courses and the manner in which they are taught, supervised and assessed”.³⁸⁴
325. The OfS published the first version of its regulatory framework in April 2018, and this version operated until November 2022. The framework has been amended on at least seven occasions, including the addition of new conditions of registration and revisions to existing conditions. The latest version of the framework was published in November 2022.³⁸⁵
326. Dame Nicola Dandridge, the former OfS Chief Executive, said that the framework changed over time as it had initially been “too broadly framed and not sufficiently granular”. She said that the changes included “a much more detailed set of proposals” in relation to quality and outcomes.³⁸⁶
327. Sir Michael Barber said that at the beginning of his time as Chair of the OfS, the regulator understood that institutional autonomy and academic freedom are “both really fundamental” in “why British higher education is a success”. He said that the OfS' approach allowed providers autonomy but that they could not “choose to be bad”. He stated that: “You can't choose to let students down in a really visible way. You can't choose to do things that have no value for money. You can't choose to be incompetent”. He argued that institutional autonomy is “fundamental ... but not absolute”.³⁸⁷

The regulatory burden on the sector

Data requirements

328. Witnesses from the higher education sector raised concerns over the regulatory burden imposed by the OfS. Former HEFCE Chief Executive Sir David Eastwood argued that there has been “a considerable increase in the data requirements of the OfS” which “places considerable burdens

383 Higher Education and Research Act 2017, [sections 3–21](#) and [section 75](#)

384 *Ibid.*, [section 2](#)

385 OfS, ‘Securing student success: Regulatory framework for higher education in England’ (24 November 2022): <https://www.officeforstudents.org.uk/publications/securing-student-success-regulatory-framework-for-higher-education-in-england/> [accessed 9 June 2023]

386 [Q 2](#) (Sir Michael Barber)

387 *Ibid.*

on institutions”.³⁸⁸ Professor Dame Nancy Rothwell of the University of Manchester said that the sector felt “that the regulatory burden has increased very significantly”, with the OfS sending providers “a huge number of data requests, often at short notice”.³⁸⁹

329. Numerous other witnesses suggested that the way that the OfS requests data from providers and operates its regulatory framework was difficult to manage for providers, stating that it increased costs and diverted staff from other activities.³⁹⁰ For instance, the University of Kent suggested that the OfS’ approach is “based on an ever-increasing requirement for quantities of data”, with thousands of metrics for each institution.³⁹¹ A number of witnesses and submissions complained that many of the OfS’ data requests duplicated requests from other regulators or other publicly available information.³⁹² We also heard that the OfS sometimes asks for the same data as other regulators but in a different format, further adding to providers’ workload.³⁹³
330. Prof Rothwell said that the OfS was planning to require providers to “retain all student data for five years”, a “massive undertaking” that will cost “between £250,000 and £1 million” per institution for Russell Group members. She said it was unclear why the OfS required this, and “we do not always know what happens to the vast amounts of data that we submit”.³⁹⁴ Vivienne Stern of Universities UK also cited this proposal as “an absolute quagmire” and an example of the cost of fulfilling the expectations of the OfS.³⁹⁵
331. Erica Conway of the University of Birmingham and the British Universities Finance Directors Group said that “to an extent” it is clear why the OfS requests data and introduces regulation, “but that tends to come once it is in place rather than in advance”.³⁹⁶ The Academic Registrars’ Council said that the OfS routinely requests information “but provides no response as to whether the information provided was correct, what it was used for and what, if anything, has been done as a result”.³⁹⁷
332. Nicola Owen of the University of Lancaster and AHUA noted that the OfS argued this burden is caused by “institutions or their governing bodies ... gold-plating things”. She said that while there “may be some truth in that”, the regulator “has not taken on board and understood” why this was happening across institutions.³⁹⁸

388 [Q 31](#) (Sir David Eastwood)

389 [Q 39](#) (Professor Dame Nancy Rothwell)

390 [Q 31](#) (Professor Susan Lea), [Q 50](#) (Vivienne Stern) and [Q 56](#) (Alex Proudfoot). Written evidence from the Academic Registrars’ Council ([WOS0014](#)), Russell Group ([WOS0016](#)), Brunel University ([WOS0021](#)), University of Plymouth ([WOS0026](#)), the Mixed Economy Group of Colleges ([WOS0027](#)), Universities UK ([WOS0034](#)), the Universities and Colleges Information Systems Association ([WOS0041](#)), MillionPlus ([WOS0042](#)), Association of Colleges ([WOS0050](#)), Free Churches Group of England and Wales ([WOS0051](#)), University of Sunderland ([WOS0052](#)), and Independent Higher Education ([WOS0065](#))

391 Written evidence from the University of Kent ([WOS0013](#))

392 [Q 39](#) (Professor Dame Nancy Rothwell, Professor Neal Juster) and [Q 86](#) (Anthony McClaran). Written evidence from the Russell Group ([WOS0016](#)), University of Oxford ([WOS0029](#)), Universities UK ([WOS0034](#)), GuildHE ([WOS0035](#)), University Alliance ([WOS0040](#)), Association of Colleges ([WOS0050](#)), Dr Lavinia Mitton ([WOS0054](#)), Imperial College London ([WOS0059](#)), Independent Higher Education ([WOS0065](#))

393 [QQ 39 and 41](#) (Professor Dame Nancy Rothwell) and [Q 50](#) (Vivienne Stern)

394 [Q 39](#) (Professor Dame Rothwell)

395 [Q 49](#) (Vivienne Stern)

396 [QQ 96–97](#) (Erica Conway)

397 Written evidence from the Academic Registrars’ Council ([WOS0014](#))

398 [Q 96](#) (Nicola Owen)

333. In 2022, the Government recognised the burden of “unnecessary data reporting and collection for higher and further education providers” by setting up the Higher Education Data Reduction Taskforce. The Taskforce brought together sector representatives to understand the different data requirements on providers and “where these could be reduced, removed or reformed”. The Taskforce was supposed to meet every six weeks for a period of six months beginning in March 2022 but appears only to have met three times.³⁹⁹
334. Universities UK called for the Taskforce to be reconvened “with an immediate priority being to map the data burden across all the regulatory bodies universities engage with”, including regulators and funders in the devolved administrations.⁴⁰⁰

Other concerns

335. Nicola Owen said that the autonomy of providers is recognised at times, but that the OfS’ conditions “have become really quite prescriptive”. She argued that there have been some examples where “the lines are being blurred”, for instance in relation to assessing the technical proficiency of English.⁴⁰¹ Professor Elizabeth Molyneux, a Lecturer at Edge Hill University, also raised issues with the OfS’ requirements in relation to student proficiency in English, arguing that the OfS gives “one acceptable approach” with providers having “very limited scope to deviate from this”. She argued that this limited institutional autonomy and noted the “very close policy steer” from the Government on this issue.⁴⁰² The University of Huddersfield suggested that the OfS’ “fixation on spelling and grammar”, among other issues raised by Ministers, means that it could be argued that the OfS is being “used as a tool by politicians to drive practice and policies within institutions”, threatening institutional autonomy.⁴⁰³
336. There were also concerns about the way the OfS conducts investigations. Vivienne Stern said that “it does not feel as if the institutions that are subject to investigation quite understand the terms of that”, adding that they “do not really know what will happen when, how long it will take or who will make the decisions”.⁴⁰⁴
337. Vicki Stott of the QAA said that the investigations “are being conducted with very little transparency” and “it is not clear who is being investigated or what the concerns that have triggered the investigations are”. She explained that this “reinforces the sector’s concern” that investigations have been triggered by political and media rhetoric about low-quality courses, and that it “removes an opportunity for the sector to learn from the regulator’s actions”.⁴⁰⁵ The OfS Chair, Lord Wharton, has indicated that the OfS expects to publish the outcomes of its investigations “during the summer of 2023”.⁴⁰⁶

399 DfE, ‘Higher education data reduction taskforce’ (March 2022): <https://www.gov.uk/government/groups/higher-education-data-reduction-taskforce> [accessed 12 June 2023]

400 Written evidence from Universities UK ([WOS0034](#))

401 [Q 96](#) (Nicola Owen)

402 Written evidence from Professor Elizabeth Molyneux ([WOS0003](#))

403 Written evidence from the University of Huddersfield ([WOS0019](#))

404 [Q 50](#) (Vivienne Stern)

405 [Q 92](#) (Vicki Stott)

406 OfS, *Annual report and accounts 2022–23* (June 2023): <https://www.officeforstudents.org.uk/media/bf888db0-d3ed-4fe9-9616-8e7d8d8702cc/e02887096-hc-1386-office-for-students-ara-22-23-accessible.pdf> [accessed 19 July 2023]

338. Anthony McClaran said that GuildHE members have a “major concern” about regulatory burden as they “often operate in specialist areas” where there are demands from other regulators and public bodies, including Ofsted. He noted that during his time at TEQSA in Australia, the regulator signed agreements with “a whole range of other regulators” and in some cases held joint reviews of institutions “to try to reduce the burden”.⁴⁰⁷

The OfS and the Government’s view

339. Lord Wharton emphasised that the OfS does “not try to go into ... the detail of what is taught”, and instead is “looking at whether students are getting the value that they ought to get”. He acknowledged that this “sometimes clashes against some of the arguments around autonomy” but set out his view that “autonomy has to be used in a way that delivers value” for students.⁴⁰⁸

340. Lord Wharton also said that the sector had “failed to address obvious problems” that have been raised “over a long time”, including grade inflation. He stressed that this is why the OfS is taking action, including conducting investigations, so that if an investigation finds that there is a problem, “the evidence is there on which we can build a regulatory case”.⁴⁰⁹

341. The Minister noted that “nobody likes regulation” and explained that the OfS “has reduced regulation” and is “setting out a number of consultation documents and work in terms of reducing regulation still further”, which he is “absolutely in favour of”.⁴¹⁰

342. **The OfS’ regulatory framework has become increasingly prescriptive over time. It is too willing to direct higher education providers’ operations and activities, showing little regard to the need to protect institutional autonomy.**

343. **The OfS appears to have given insufficient thought to the impact of its actions, requests and decisions in adding regulatory burdens to providers. The OfS also makes frequent and often ad hoc requests for data that are both burdensome and, at times, duplicative of similar requests from other regulators—including asking providers for the same data submitted to other regulators, but in different formats.**

344. **In many areas, it appears unclear to institutions what compliance with the regulatory framework looks like or why the OfS requests data from them. This lack of clarity for providers extends to the OfS’ approach to investigations, where it is not clear what has triggered investigations, the process involved or the likely timescales and outcomes. Uncertainty over why the OfS acts in the way that it does has created distrust and friction between the regulator and the sector.**

345. *The Department for Education should reconvene the Higher Education Data Reduction Taskforce in order to address duplication and reduce unnecessary burden on providers.*

346. *When seeking data from institutions, the OfS should clearly state what use it intends to make of it. When requiring actions, the OfS*

407 [Q 86](#) (Anthony McClaran)

408 [Q 114](#) (Lord Wharton of Yarm)

409 [Q 118](#) (Susan Lapworth)

410 [Q 143](#) (Minister Halfon)

should give a clear idea of what objectives are being served. A clearer statement of the goals being sought will reduce the need for the OfS to prescribe how to meet them and give institutions more flexibility in taking their own routes to compliance.

347. *The OfS should publish its approach to investigations. When the OfS investigates a provider it should indicate the basis for its concerns, and provide what detail it can on the expected timescales and outcomes.*
348. *The OfS’ publication of case studies in relation to financial monitoring has been welcomed, as noted in Chapter 3. The OfS should consider the publication of similar case studies in other areas of its regulation to clarify its expectations and approach, with a view to sharing examples of best practice.*

Sector relations

349. In responses to our call for evidence, higher education providers described the sector’s relationship with the OfS variously as “fraught”,⁴¹¹ “overly combative” and with institutions “too often seemingly treated as untrustworthy”.⁴¹² They were also said to be “badly strained”, “very adversarial and bureaucratic”,⁴¹³ “fractured and limited”,⁴¹⁴ and “underpinned by disrespect for the sector”, involving “mistrust with conflict simmering under the surface, and a brittle veneer of politeness on top”.⁴¹⁵
350. The OfS emphasised in its written evidence that its risk-based approach is “central” to how it interacts with providers, meaning that dialogue “focuses on specific regulatory issues”. In particular, the OfS said that it is “not our role ... to develop an understanding of the general circumstances and activities of the provider”. The OfS contrasted its approach with its predecessor, HEFCE, which was a “funding body with a mission to support institutions to succeed, rather than a regulator with a focus on the interests of students”.⁴¹⁶
351. Sir Michael Barber said that the OfS’ relationship with the sector is “very different” to the previous relationship with HEFCE, which some providers “hankered after”.⁴¹⁷ Dame Nicola Dandridge suggested that “many in the sector did not fully understand that the OfS was a regulator”, with a sense in which “it was just HEFCE in disguise”.⁴¹⁸
352. Lord Johnson, the former Minister for Universities, said that this “distinction from what had gone before ... might have felt unpleasant to institutions and it might have felt heavy-handed at times”. He said that in its next phase, there is scope for the OfS “to take a more collegiate approach ... without losing sight of its core mission”. He argued that it could provide “a bit more helpful advice to institutions” and “does not always need to lead boots first”. However, he set out his view that “the sector wants to get back to a nice situation where it has captured the regulator”.⁴¹⁹

411 Written evidence from the University of Westminster ([WOS0007](#))

412 Written evidence from the Cathedrals Group of Universities ([WOS0022](#))

413 Written evidence from the University of Oxford ([WOS0029](#))

414 Written evidence from Manchester Metropolitan University ([WOS0032](#))

415 Written evidence from the University of Huddersfield ([WOS0019](#))

416 Written evidence from the OfS ([WOS0001](#))

417 [Q 8](#) (Sir Michael Barber)

418 [Q 8](#) (Dame Nicola Dandridge)

419 [QQ 19 and 24](#) (Lord Johnson of Marylebone)

353. Sir David Eastwood said that Sir Michael Barber and Dame Nicola Dandridge had been “assiduous” in visiting institutions but suggested that such engagement “is less conspicuous now”. He said that “it is almost as if the OfS thinks such dialogue would diminish its regulatory authority” and suggested that engagement over the best way to achieve the regulator’s goals could enable the OfS’ data and reporting requirements to “be diminished and better targeted”.⁴²⁰ Rachel Hewitt of MillionPlus said that it can sometimes feel that the OfS’ concerns are “not fully communicated”, meaning providers are asked to respond “very rapidly to what turn out to be quite small issues that perhaps an earlier conversation could have put to one side”.⁴²¹
354. Prof Juster said that there is a “lack of dialogue”, explaining that he does not have a named contact at the OfS and that he has “some examples of where we have tried to contact the OfS for answers and got nothing”. He also suggested that before engaging with the OfS, his institution wonders “whether we are going to kick the hornet’s nest”, noting that there are examples in the sector “where a question was raised and then a nasty letter came back”.⁴²²
355. Vivienne Stern argued that “there is a mutual lack of understanding”, as while the OfS “probably thinks that some of the complaints levelled against it ... are unfounded”, providers feel “that you can express a view but it will not be listened to”. She explained the feeling on the part of providers that the OfS “is there to punish poor performance and not to ensure a healthy system”.⁴²³ A number of providers expressed the view that the sector’s views are, in the words of the University of Plymouth, “commonly ignored when reaching decisions”, with little change evident in OfS decisions following consultation.⁴²⁴
356. Nicola Owen argued that the OfS is “pretty faceless as an organisation and a regulator”. She emphasised that providers deal with “lots of formal regulators and agencies” where there is a sense of “working with” institutions to reach the right outcome, which “feels quite different” to lots of their engagement with the OfS.⁴²⁵
357. Alex Proudfoot of Independent Higher Education was more positive, suggesting that the OfS’ engagement with the sector is “improving” and “showing signs of engaging more in a better way” as it “grows in confidence and experience”. Rachel Hewitt said that “there are good examples of engagement with the sector”, particularly in relation to access and participation.⁴²⁶ Nicola Owen pointed to access and participation as an area where the OfS has “a strikingly different way of engaging”.⁴²⁷
358. Anthony McClaran referred to his experience as Chief Executive of TEQSA in Australia, which surveyed “what the institutions thought about us” and

420 [Q 31](#) (Sir David Eastwood)

421 [Q 57](#) (Rachel Hewitt)

422 [Q 40](#) (Professor Neal Juster)

423 [QQ 48 and 52](#) (Vivienne Stern)

424 Written evidence from the University of Plymouth ([WOS0026](#)), University of Westminster ([WOS0007](#)), Academic Registrars’ Council ([WOS0014](#)), University of Huddersfield ([WOS0019](#)), Cathedrals Group of Universities ([WOS0022](#)), GuildHE ([WOS0035](#)), University of Suffolk ([WOS0036](#)), and Association of Heads of University Administration ([WOS0060](#))

425 [Q 95](#) (Nicola Owen)

426 [Q 57](#) (Alex Proudfoot)

427 [Q 95](#) (Nicola Owen)

established an annual conference for providers to “discuss regulation and quality assurance and how it might be improved”.⁴²⁸

359. In its written evidence, the OfS noted the need to refresh its approach, explaining that it is acting on an independent report published in January 2023⁴²⁹ that identified a number of areas for improvement. The OfS’ actions in response include more direct engagement with providers and better promotion of existing contact routes.⁴³⁰
360. Lord Wharton said that “there is truth” in concerns about the OfS’ engagement and relationship with the sector but that elements of this “are occasionally a little overegged”. He said that the OfS is “looking at stepping up” its engagement, including through sending more senior staff to visit institutions.
361. However, Lord Wharton argued that the OfS cannot and should not “go back to the days of HEFCE, when every region had its own co-ordinator, had lots of very close meetings with the universities and institutions” and “was there more to lend a helping hand and a friendly ear than to look in depth at what was going on ... and require them to improve it”.⁴³¹
362. Susan Lapworth said that the OfS’ engagement is shaped by its risk-based approach to regulation, meaning that “if we are not particularly concerned about a provider they may not hear from us very often at all”. She acknowledged that this “might feel quite odd to some universities” given the closeness of their relationship with HEFCE. However, she explained that alongside the programme of visits, she is planning to hold quarterly online sessions for Vice-Chancellors.⁴³²
363. The Minister argued that “there needs to be much more informal engagement between the OfS and HE”, noting that in his six months in the job, “that has come up time and time again”. He emphasised, though, that the OfS “does a lot of roundtables and a lot of events”. DfE official Anne Spinali noted that providers “have really felt listened to” in relation to access and participation.⁴³³
364. **Relations between the OfS and the higher education sector have been poor, to the point of adversarial. This is in part because the OfS’ approach to providers to date has been overly distant and combative, giving the impression that they are looking to punish them rather than support them towards compliance. It is therefore welcome that the OfS has recently recognised the need for better communication and greater engagement with the sector.**
365. **It is concerning that providers do not know who to contact at the OfS with concerns and struggle to receive a timely or helpful response when they do. Providers need to be able to contact OfS staff who are responsible for regulating them.**

428 [Q 83](#) (Anthony McClaran)

429 OfS, *Report on provider engagement with the Office for Students* (January 2023): https://www.officeforstudents.org.uk/media/f86acfa2-5c6e-4e6e-9af5-40dada342862/ofs_provider-engagement-research-report.pdf [accessed on 14 June 2023]

430 Written evidence from the OfS ([WOS0001](#))

431 [Q 116](#) (Lord Wharton of Yarm)

432 [Q 116](#) (Susan Lapworth)

433 [Q 144](#) (Minister Halfon)

366. **Overall, we are concerned that the OfS focuses too heavily on analysing the huge volume of data it requires from institutions and too little on understanding the context within which that data sits.**
367. **It is positive that OfS senior staff now intend to visit higher education providers more regularly, as this kind of informal contact between institutions can provide valuable insights that cannot be gleaned from datasets.**
368. *The OfS should establish an annual mechanism for the sector to provide feedback to the regulator, as is established practice within other regulators. This should involve a survey and an annual meeting with providers driven by the sector’s priorities, in addition to those of the regulator.*
369. *The OfS should rebalance its approach and spend more time engaging with providers, spreading the good practice evident in its approach to access and participation. The OfS should clarify to individual providers who their named contact is and ensure that the contact offers a meeting to each provider at least annually.*

Resources and registration fees

370. HERA requires that in performing its functions, the OfS must have regard to the need to use its resources in “an efficient, effective and economic way”.⁴³⁴ The Act also gives the OfS the power, in accordance with regulations made by the Secretary of State, to charge initial and ongoing registration fees to institutions.⁴³⁵
371. The Minister, Robert Halfon MP, wrote to the Committee on 23 May 2023 explaining that he had laid the Higher Education (Registration Fees) (England) (Amendment) Regulations 2023,⁴³⁶ which came into effect on 13 June 2023 and set the OfS registration fees for the 2023–24 academic year.⁴³⁷
372. The Minister explained that new responsibilities placed on the OfS in relation to freedom of speech and the assessment of quality and standards require “considerable additional resource and funding”. Registration fees will increase by “between 0 to 12% per provider” depending on the size of the institution, although the DfE will be providing £1.5 million in additional funding to prevent these costs “being passed on to the sector in full”.⁴³⁸
373. Speaking before the Minister’s announcement, Lord Johnson suggested that the OfS “offers a reasonable deal” at a cost of “£12.82 per student”, emphasising that registration gives providers access to tuition fee funding, research funding and a global market in international students.⁴³⁹
374. Professor Dame Nancy Rothwell said that the University of Manchester pays fees of almost £200,000 a year to the OfS. However, she argued that the

434 Higher Education and Research Act 2017, [section 2](#)

435 *Ibid.*, [section 70](#)

436 The Higher Education (Registration Fees) (England) (Amendment) Regulations 2023 ([SI 2023/558](#))

437 Letter from the Rt Hon Robert Halfon MP, Minister for Skills, Apprenticeships and Higher Education to Lord Hollick, Chair of the Industry and Regulators Committee, 23 May 2023: <https://committees.parliament.uk/publications/40088/documents/195593/default/>

438 *Ibid.*

439 [Q 22](#) (Lord Johnson of Marylebone)

overall cost of the OfS’ regulatory framework is “about another £1 million a year” in terms of responding to regulatory requests and actions. Drawing the comparison with Australia, she said that TEQSA is “a fraction of the size of the OfS” and that she was “certainly not clear about how the OfS spends its money”.⁴⁴⁰

375. Professor Neal Juster of the University of Lincoln said that the OfS had asked for a “big increase” in its registration fee, “which is rather larger than any increase in income” his university will receive. He suggested that he was “not sure” what providers get back for the increase in fee.⁴⁴¹ Nicola Owen said that providers “do not have a sense” of whether the OfS “is targeting its resources at the highest-risk areas”.⁴⁴²
376. Vanessa Wilson of University Alliance said that the OfS is being asked to do “an awful lot” and its resources “potentially do not keep up with that”. She suggested that “a lot” of the OfS’ deadlines are missed.⁴⁴³ GuildHE also suggested that the OfS “frequently fails to meet its own deadlines”, while MillionPlus said that some providers have been “waiting multiple years for sign off of their student protection plans”.⁴⁴⁴ The Royal Veterinary College raised that even where this occurs, the OfS still requires institutions to deliver to its own deadlines, “which do not move”.⁴⁴⁵
377. Vivienne Stern suggested that the OfS’ registration fees, especially for smaller providers, are “probably not outrageous” but explained that the OfS’ proposal to increase fees by 13% “went down badly” as “all universities are having to absorb inflationary cost pressures”. She said that OfS regulation can cost providers “anywhere up to £1 million a year”.⁴⁴⁶
378. Rachel Hewitt stressed that universities “are being expected to do more with less” given the real-terms cut in tuition fees “for a significant number of years”. At the same time, “the OfS’ remit is expanding”, and as well as the increase in fees “presumably there will be a 13% increase in their activity ... and that has significant costs for institutions”. She said it was “difficult” to say this represented value for money.⁴⁴⁷
379. Alex Proudfoot suggested that his organisation has evidence of “providers choosing not to go into the OfS because they do not think it is worth the burden and the cost”, while others “have withdrawn from the OfS having tried it”, instead seeking to be validated by other institutions.⁴⁴⁸
380. Lord Wharton emphasised that the OfS registration fee “is not huge money per student and we need that money to operate”. He stressed that the OfS faces “the same challenges as many others” in the current inflationary environment and is expecting “significant new functions” in relation to freedom of speech and quality and standards. He said that “nobody wants to put fees up” but “it is necessary”.⁴⁴⁹

440 [QQ 39, 42 and 44](#) (Professor Dame Nancy Rothwell)

441 [Q 42](#) (Professor Neal Juster)

442 [Q 101](#) (Nicola Owen)

443 [Q 49](#) (Vanessa Wilson)

444 Written evidence from GuildHE ([WOS0035](#)) and MillionPlus ([WOS0042](#))

445 Written evidence from Royal Veterinary College ([WOS0055](#))

446 [Q 49](#) (Vivienne Stern)

447 [Q 56](#) (Rachel Hewitt)

448 [Q 56](#) (Alex Proudfoot)

449 [Q 124](#) (Lord Wharton)

381. Anne Spinali, Director of Higher Education Reform and Funding at the DfE, explained that the Government has quarterly discussions with the OfS “on its efficiency, its spend and how it is discharging its responsibilities”, arguing that this is monitored “really actively” and “robustly challenged”.⁴⁵⁰
382. **Despite its own focus on value for money for students, it appears that the OfS struggles to deliver value for money to providers. OfS registration fees may seem reasonable on a cost per student basis, but the OfS’ activities cause a much wider range of compliance costs for institutions, and it is not clear that the OfS is targeting its resources at the highest risk areas or delivering in a timely way for the sector.**
383. **It is galling for providers that an increase of up to 12% to the OfS’ registration fees for 2023/24 has been proposed, when the sector has faced an environment where home undergraduate student fees have been frozen.**
384. **The proposed uplift in fees is driven at least in part by the expected increase in the regulator’s responsibilities, including taking on the role of the Designated Quality Body (DQB) and the expansion of its activities into other areas such as freedom of speech and sexual harassment. This is particularly frustrating for providers: the OfS appears to be adding to the regulatory burden they face and then charging them more as a result.**
385. *The Government should examine how the OfS targets and uses its resources and how it is held to account for this.*

450 [Q 147](#) (Anne Spinali)

CHAPTER 8: POLITICAL INDEPENDENCE AND THE ROLE OF THE GOVERNMENT

The OfS' independence in theory

386. The OfS is a non-departmental public body and, in theory, operates with a degree of independence from the Government. Under HERA, the OfS is not to be regarded as “the servant or agent of the Crown”. The Act’s explanatory notes also state that the OfS will operate at “arms’ length” from the Government.⁴⁵¹
387. Moreover, in the strategic guidance document agreed between the OfS and the DfE, the OfS is described as an “independent regulator” (a phrase it also used in its written evidence submission to the Committee).⁴⁵²
388. The OfS is required, under HERA, to “have regard to” the guidance issued to it by the Secretary of State. However, HERA also states that, in issuing such guidance, the Secretary of State should themselves have regard to institutional autonomy, and, in particular, should not issue guidance on matters such as course content or criteria for student admission.⁴⁵³
389. The OfS told us that it was “required to exercise its functions independently of government—by virtue of HERA and by public law—and we scrupulously adhere to this obligation”, adding, “ministers and government officials respect our independence and understand its importance”.⁴⁵⁴
390. In addition, while noting that their independence “has sometimes been questioned by sector commentators”, the OfS argued that such critiques “do not acknowledge sufficiently the legal framework within which both Government and the OfS must operate.” In particular, they highlighted five mechanisms in HERA through which ministers can “properly and legitimately” exert influence over the OfS’ work:
- Public appointments (Ministers appoint members of the OfS board, including the Chair and Chief Executive);
 - Ministers can issue statutory guidance to the OfS about the performance of its functions and the OfS is obliged to “have regard” to this guidance, alongside their general duties;
 - Ministers can issue general directions to the OfS through regulations, although this has not yet happened in practice;
 - Ministers can attach terms and conditions to the public grant funding the OfS allocates to providers;
 - Ministers can require information from the OfS about any of its functions.⁴⁵⁵

451 Higher Education Research Act 2017, [section 1](#)

452 DfE *Office for Students Framework Document* (October 2019): <https://www.officeforstudents.org.uk/media/189e6e2a-65eb-4cc5-9ad3-bfb149185b69/ofs-framework-document-review-2019.pdf> [accessed 19 July 2023]. See also written evidence from the OfS ([WOS0001](#)).

453 Higher Education Research Act 2017, [section 1](#)

454 Written evidence from the OfS ([WOS0001](#))

455 *Ibid.*

391. The framework document agreed between the OfS and the DfE states that, while the Secretary of State for Education has ultimate accountability for the OfS in Parliament, the Minister of State for Higher and Further Education has lead responsibility for oversight of the OfS on a day-to-day basis.⁴⁵⁶

The OfS' independence in practice

Government guidance to the OfS

392. The OfS receives an annual guidance letter from the DfE which sets out their priorities for the coming year and tells them how much funding to distribute to providers. In addition to this, it may also receive additional guidance letters on a more frequent basis. In total, the OfS has received 26 guidance letters from the Department since it was established.⁴⁵⁷
393. The DfE's guidance to the OfS is often specific about what the Government wants the OfS to do, in contrast to other models this Committee has observed in its scrutiny of other regulators. For example, in the case of Ofwat, the Government's Strategic Policy Statement gives high-level aims for Ofwat, but it does not prescribe how those aims should be reached, such as through changes to license conditions.⁴⁵⁸ In contrast and by way of example, the Government's guidance to the OfS on strategic priorities for the financial year 2022–23 explicitly says the OfS should include its approach to dealing with sexual harassment "in a condition of registration as soon as possible."⁴⁵⁹
394. Sir Michael Barber, the former Chair of the OfS, said that while the letters had been "fine" in his tenure they could be "a bit overdetailed".⁴⁶⁰ Professor Simon Gaskell of the QAA described "a common perception is that the annual letters ... have become increasingly prescriptive", while for GuildHE, some guidance letters were "highly prescriptive" and risked compromising regulatory independence.⁴⁶¹
395. In addition to concerns about the guidance being too prescriptive in content, we also heard that the guidance letters were unusually frequent. Vanessa Wilson of University Alliance told the Committee that, when she worked for another arms' length body, "we were used to receiving maybe one or two letters a year from the Secretary of State or the Minister of State ... The OfS receives, on average, four such letters a year. In 2021, it received 10 letters from the Secretary of State or Minister of State".⁴⁶²

456 DfE, *Office for Students Framework Document* (October 2019): <https://www.officeforstudents.org.uk/media/189e6e2a-65eb-4cc5-9ad3-bfb149185b69/ofs-framework-document-review-2019.pdf> [accessed 19 July 2023]

457 OfS, 'Guidance from government' (30 March 2023): <https://www.officeforstudents.org.uk/advice-and-guidance/regulation/guidance-from-government/> accessed [19 July 2023]

458 Department for Environment, Food & Rural Affairs, 'February 2022: The government's strategic priorities for Ofwat' (28 March 2022): <https://www.gov.uk/government/publications/strategic-policy-statement-to-ofwat-incorporating-social-and-environmental-guidance/february-2022-the-governments-strategic-priorities-for-ofwat> [accessed 19 July 2023]

459 Letter from Rt Hon Nadhim Zahawi MP to Lord Wharton of Yarm, 31 March 2022: https://www.officeforstudents.org.uk/media/be054f0b-696a-41fc-8f50-218eb0e3dcab/ofs-strategic-guidance-20220331_amend.pdf [accessed 18 August 2023]

460 Q 3 (Sir Michael Barber)

461 Q 92 (Professor Simon Gaskell), Q 55 (Rachel Hewitt), written evidence from GuildHE (WOS0035), the National Union of Students (WOS0015), MillionPlus (WOS0042) and Association of Colleges (WOS0050),

462 Q 48 (Vanessa Wilson), written evidence from University Alliance (WOS0040) and GuildHE (WOS0035)

396. Responding to these concerns, the Chair of the OfS, Lord Wharton, said that the volume of the guidance “is probably understandable given the relatively young nature of the OfS ... You would expect, in an environment where a new regulator is being created, a greater level of interest from the sector, from the Government and from Parliament”. Susan Lapworth pointed out that the OfS is unusual in being a funder as well as a regulator, and that this partially explained the volume of letters.⁴⁶³
397. The Minister told the Committee: “I do not micromanage the OfS, and no one should ... I believe that it should be an intermediate body between the state and [higher education], being a bulwark for, rather than against, university autonomy.”⁴⁶⁴
398. **There is a perception in the sector that the Government’s guidance to the OfS in relation to its regulatory activity is overly prescriptive, and that the guidance letters it sends are unusually frequent.**
399. ***Government guidance on OfS regulation should be less prescriptive, and should be limited to higher level, strategic input.***

The OfS’ approach to independence

400. Some witnesses the Committee heard from, particularly those associated with the creation of the OfS, argued that the OfS was sufficiently independent from the Government. Sir Michael Barber, for example, said that when he was Chair of the OfS, he had regular dialogue with Ministers but set the OfS’ priorities himself.⁴⁶⁵
401. Sir Michael Barber added that he did not think it was right for the OfS to act either as a “buffer” between the Government and the sector or as “an instrument of government policy”, he instead saw the OfS as a “steward”. He added that, while he “was not the kind of chair who would pick public fights with Ministers”, as he did not think this would be helpful to the sector, “we did not just take orders”.⁴⁶⁶ In a similar vein, Lord Johnson, the former Minister for Universities, described the “buffer” view of a regulator as “backward-looking” and reflective of HEFCE’s approach, whereas the OfS, in his view, is a “strong and independent market regulator”.⁴⁶⁷
402. Dame Nicola Dandridge, the former Chief Executive of the OfS, emphasised that the OfS would sometimes push back on Government guidance. For example, “there was a very strong steer to do away with the National Student Survey. At the time we felt that that was a bad idea, so we did not do it. This was obviously done in discussion with DfE, but it is an example of where the OfS does and can manifest its independence.” Sir Michael agreed: “we had to fight that battle quite hard, but always behind the scenes”.⁴⁶⁸ This particular case was also cited by several other witnesses not associated with the OfS as an example of the OfS acting independently.⁴⁶⁹
403. Alex Proudfoot of Independent Higher Education argued that “it is entirely appropriate that the Government of the day has influence in how that sector

463 [Q 117](#) (Susan Lapworth)

464 [Q 141](#) (Robert Halfon MP)

465 [Q 3](#) (Sir Michael Barber)

466 *Ibid.*

467 [Q 20](#) (Lord Johnson of Marylebone)

468 [Q 3](#) (Sir Michael Barber)

469 [Q 48](#) (Vivienne Stern) and [Q 73](#) (Martha Longdon)

is managed and how it develops”, though he added that “the temptation for different Ministers to have personal political hobby horses is where it becomes problematic”.⁴⁷⁰

404. The majority of our witnesses, however, felt that the OfS was not sufficiently independent of the Government in practice. Vivienne Stern of Universities UK said there was “a strong sense” that the OfS was not independent enough, with “lots of examples of the OfS appearing to implement an agenda driven by Ministers”. She expressed particular concern over “a couple of incidents where a Minister writes a letter to the OfS ... and very shortly afterwards the OfS issues guidance to the sector”.⁴⁷¹
405. Similarly, the University of Huddersfield said that “political headlines are very quickly translated into OfS policy which places additional burden/responsibility on the university sector”. They cited in particular a case where parts of the media and some MPs raised concerns, “without clear evidence”, over competence in written English, which “quickly translated into an OfS edict imposed on the sector requiring spelling and grammar assessment, without any investigation of what was common practice or the rationale for the sector position.”⁴⁷² Other witnesses also cited this particular example.⁴⁷³
406. University Alliance argued that “the priorities outlined in [the] OfS’ 2022–25 strategy align very closely with those of the current Government—particularly the issues of low-quality courses, grade inflation, free speech, equality of opportunity and levelling up.”⁴⁷⁴ The Royal Veterinary College said that frequent Government intervention had “placed the OfS in the position of enforcer rather than regulator and supporter”.⁴⁷⁵ Similar concerns were also expressed by a large number of other higher education providers and sector groups,⁴⁷⁶ as well as by the UCU.⁴⁷⁷
407. Witnesses providing the student perspective shared these concerns. Chloe Field of the NUS described “an unprecedented level of Government interference” over the last few years.⁴⁷⁸ Francesco Masala, a former member of the OfS Student Panel, thought that “political considerations, rather than the true interests of students, often come first.”⁴⁷⁹ Martha Longdon, the former Chair of the OfS Student Panel, recognised that student and Government priorities could clash, but complained that “the risk tolerance

470 [Q 55](#) (Alex Proudfoot)

471 [Q 48](#) (Vivienne Stern)

472 Written evidence from the University of Huddersfield ([WOS0019](#))

473 [Q 48](#) (Vivienne Stern) and written evidence from Professor Elizabeth Molyneux ([WOS0003](#))

474 Written evidence from University Alliance ([WOS0040](#))

475 Written evidence from the University of Sunderland ([WOS0052](#))

476 Written evidence from the University of Westminster ([WOS0007](#)), the University of Plymouth ([WOS0026](#)), London Higher ([WOS0028](#)), the Association of School and College Leaders ([WOS0030](#)), the University of Suffolk ([WOS0036](#)), the Universities and Colleges Information Systems Association ([WOS0041](#)), the Engineering Professors’ Council and the Engineering Council ([WOS0048](#)), the Free Churches Group ([WOS0051](#)), the University of Oxford ([WOS0029](#)), the Russell Group ([WOS0016](#)), University of Westminster ([WOS0007](#)), Academic Registrars Council ([WOS0014](#)), Cathedrals Group of Universities ([WOS0022](#)), University of Southampton ([WOS0025](#)), Manchester Metropolitan University ([WOS0032](#)), Universities UK ([WOS0034](#)), GuildHE ([WOS0035](#)), University of Suffolk ([WOS0036](#)), University Alliance ([WOS0040](#)), Engineering Professors’ Council and Engineering Council ([WOS0048](#)) and Imperial College London ([WOS0059](#))

477 Written evidence from University and College Union ([WOS0020](#))

478 [QQ 63 and 64](#) (Chloe Field)

479 [Q 78](#) (Francesco Masala)

for students to be unhappy is unreasonably high when you compare that to how the OfS feels about upsetting government or providers.”⁴⁸⁰

408. Vicki Stott said that the QAA shared concerns in the sector that the OfS “is not always transparent about why it takes the actions that it takes, and that can lead to a perception that it is responding to political imperatives.”⁴⁸¹ Shakespeare Martineau LLP said that there was, at the very least, “a real perception problem for the OfS and widespread concern that it simply does the Government of the day’s bidding”.⁴⁸²
409. In response to these concerns, Lord Wharton said that the balance regarding independence was “in the right place”. He added that, while the OfS had a good working relationship with the DfE, it was clear that some things had to be done independently: “I have never seen, and would not expect to see, for example, any interference in individual investigations into institutions”.⁴⁸³ Similarly, Susan Lapworth cited occasions when the OfS had disagreed with the Government, such as on the National Student Survey or on removing London weighting from funding.⁴⁸⁴
410. For the Government, Robert Halfon MP said that the OfS was “certainly not an instrument of government ... The Government do not always get their way”.⁴⁸⁵
411. **The actions of the OfS and the prioritisation of its duties appear to be reactive and driven by political pressures and input. While there are a small number of cases where the OfS has pushed back against the Government’s view, in too many cases the OfS has translated ministerial and media attitudes directly into regulatory demands on providers.**
412. **It is vital that regulators not only act with an appropriate degree of independence from the Government, but that they are perceived as doing so. This is evidently not the case for the OfS, where there is a widespread perception among providers, students and other stakeholders that it is not sufficiently independent.**
413. *In their responses to this report, the Government and the OfS should set out the steps they each intend to take to support the OfS’ ability to operate independently from the Government.*

The OfS Chair

414. Lord Wharton of Yarm, the OfS Chair, was previously the Conservative MP for Stockton South between 2010 and 2017. He was made a Conservative peer in 2020 and he retains the Conservative whip.
415. Under the Code of Conduct for Board Members of Public Bodies, there is no bar on Chairs or Board members of public bodies taking a party whip while holding such a position. However, they must “exercise proper discretion on matters directly related to the work of the body and recognise that certain political activities may be incompatible with [their] role as a board member”

480 [Q 73](#) (Martha Longdon)

481 [Q 92](#) (Vicki Stott)

482 Written evidence from Shakespeare Martineau LLP ([WOS0008](#))

483 [Q 117](#) (Lord Wharton of Yarm)

484 [Q 117](#) (Susan Lapworth)

485 [Q 141](#) (Minister Robert Halfon)

and should not “become embroiled in matters of political controversy.”⁴⁸⁶ In addition, the Seven Principles of Public Life (also known as the Nolan Principles), which apply to all public office-holders, include “Objectivity”, under which office-holders must “act and take decisions impartially”.⁴⁸⁷

416. As set out in Box 5, there are several recent examples in which Members of the governing party in the House of Lords who become Chairs of regulators have resigned the party whip when they take up their post.

Box 5: Recent examples on chairing public bodies and the party whip

According to details of Member party affiliation provided on the UK Parliament website, the following Members of the House of Lords resigned the whip of the governing party, and sat as a non-affiliated peer for the duration of their tenure as Chair of a regulator:

- Lord Grade, Chair of Ofcom 2022–present (resigned the Conservative whip)
- Lord Faulks, Chair of the Independent Press Standards Organisation (IPSO) 2020–present (resigned the Conservative Whip)
- Baroness Stowell of Beeston, Chair of the Charity Commission 2018–2021 (resigned the Conservative whip)
- Lord Tyrie, Chair of the CMA 2018–2020 (resigned the Conservative whip)
- Lord Rooker, Chair of the Food Standards Agency 2009–2013 (resigned the Labour whip)
- Baroness Young of Old Scone, Chair of the Environment Agency 2000–2008 (resigned the Labour whip)

There are, however, recent examples of Members who have retained the government whip while chairing other public bodies (as distinct from regulators),⁴⁸⁸ or who chaired a regulator while retaining the whip of an opposition party.⁴⁸⁹

Source: UK Parliament, *Members of the House of Lords*: <https://members.parliament.uk/members/lords>

417. During our inquiry, we heard widespread concerns that Lord Wharton’s appointment as Chair of the OfS, and in particular the fact that he continues to retain the Conservative whip, had contributed to the perception that the OfS lacks independence from the Government.
418. University Alliance said it was “impossible not to view the current chair in particular as an explicitly political appointment ... He has no previous

486 Cabinet Office, *Code of Conduct for Board Members of Public Bodies* (June 2019): https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/809093/Code-of-Conduct-for-Board-Members-of-Public-Bodies-2019-WEB.PDF [accessed 19 July 2023]

487 Committee on Standards in Public Life, ‘The Seven Principles of Public Life’ (31 May 1995): <https://www.gov.uk/government/publications/the-7-principles-of-public-life/the-7-principles-of-public-life--2> [accessed 19 July 2023]

488 For example, Lord McNally retained the Liberal Democrat Whip when appointed Chair of the Youth Justice Board during the Coalition Government in 2014. Baroness Andrews retained the Labour whip when appointed Chair of English Heritage, then a public body, during the last Labour Government in 2009.

489 For example, Baroness Morgan of Huyton retained the Labour whip when appointed Chair of Ofsted during the Coalition Government in 2011.

higher education or regulatory experience”.⁴⁹⁰ Oxford University, which also expressed concerns, stressed: “This is not an *ad hominem* or party political criticism, and would be equally problematic whichever party were involved.”⁴⁹¹ A number of other witnesses expressed similar concerns.⁴⁹²

419. For Charles Clarke, the former Secretary of State for Education, the appointment of Lord Wharton was “a serious error”, because it was “bound to build perceptions across the sector that a political agenda is being set by an otherwise supposedly independent regulatory body.”⁴⁹³ Similarly, Francesco Masala said that “the perception of independence of a body such as the regulator is put in jeopardy when the most senior member of that body is a political operative”, even if it is only perception.⁴⁹⁴ The NUS also said that the “perception and reputation of independence” had been damaged by Lord Wharton’s appointment and retention of the whip.⁴⁹⁵
420. Lord Wharton told the Committee that he acted as an independent Chair, and said he had “never allowed the fact that I sit as a Conservative Peer in this place to sway or influence a decision that I make in my role”. He stressed that it was “not a statutory requirement” to resign the whip as Chair, and that he had been transparent during the appointment process that he would not do so.⁴⁹⁶
421. For the Government, Robert Halfon MP said it was “not unusual for people of a political persuasion to sit on boards or chair government or independent bodies”. He emphasised that Lord Wharton’s appointment had been approved by an independent panel chaired by the DfE Permanent Secretary, as well as by the Commons Education Committee. He also argued that, given the OfS’ independence, “I am not able to tell the chair of the OfS whether he should sit as an independent, a crossbencher or a Conservative.”⁴⁹⁷
422. **The perception that the OfS lacks independence from the Government has not been aided by its Chair continuing to take the whip of the governing party in the House of Lords, whilst simultaneously claiming the organisation, as a regulator, is independent of the Government. Although he was under no obligation to do so, it would nevertheless have helped to ease concerns if the Chair had resigned the whip and become non-affiliated for his time in post, as others in similar positions have done in the past.**
423. *As a matter of principle, serving politicians should resign any party political whip they hold before becoming Chairs of independent regulators. The Government should consider making this a requirement.*

Ministerial churn

424. There has been a significant degree of ministerial churn at the DfE since the OfS began operating in April 2018. In that period, there have been seven

490 Written evidence from University Alliance ([WOS0040](#))

491 Written evidence from the University of Oxford ([WOS0029](#))

492 [Q 48](#) (Vanessa Wilson), written evidence from Professor Paul Ashwin ([WOS0002](#)), London Higher ([WOS0028](#)), the Association of Colleges ([WOS0050](#)), and University and College Union ([WOS0020](#))

493 [Q 120](#) (Lord Wharton of Yarm)

494 [Q 78](#) (Francesco Masala)

495 Written evidence from National Union of Students ([WOS0015](#))

496 [Q 117](#) (Lord Wharton of Yarm)

497 [Q 141](#) (Robert Halfon MP)

Secretaries of State for Education in the space of five years, including five in the period between July and October 2022.⁴⁹⁸ There have also been six Ministers who have held the relevant junior ministerial portfolio covering higher education⁴⁹⁹ over the same period.⁵⁰⁰

425. Sir Michael Barber said that, as the first Chair of the OfS, he had realised that it was likely to be a politically unstable period and that this had been taken into account by the OfS. However, he acknowledged: “If you have six Higher Education Ministers in a short space of time and three Secretaries of State—2022 was after my time, but that was even more extreme—of course you get some uncertainty at that point”.⁵⁰¹
426. Chloe Field said that ministerial changes had been “chaotic” and had meant it was “really difficult to have a strategic direction and engage with students”.⁵⁰² Professor Neal Juster of the University of Lincoln raised similar concerns from a provider perspective: “if policies change in the short term, our long-term planning goes to pot.”⁵⁰³
427. Vivienne Stern said this instability had inevitably had an impact on the OfS, which not only had to establish an entirely new regulatory approach ... but deal with a revolving door of Ministers and Secretaries of State writing quite frequent letters of instruction and adding new sets of responsibilities.⁵⁰⁴
428. **Political instability has meant that the OfS has had to work with seven Education Secretaries and six Universities Ministers since it began operating in 2018. This ministerial churn has contributed to the wider sense of instability in the sector.**

The Government’s strategy for the higher education sector

429. The Government ran a higher education policy statement and reform consultation between February and May 2022. The consultation asked for views on student number controls, minimum eligibility requirements, foundation years, eligibility for a state scholarship, and growing high-quality level 4 and 5 courses.⁵⁰⁵
430. The Government’s response to the consultation was published on 17 July 2023, before the publication of our report but after we finished taking evidence. The evidence cited below should be understood in that context.

498 Rt Hon Damian Hinds MP (January 2018–July 2019), Rt Hon Sir Gavin Williamson MP (July 2019–September 2021), Rt Hon Nadhim Zahawi MP (September 2021–July 2022), Rt Hon Michelle Donelan MP (July 2022), Rt Hon James Cleverly MP (July 2022–September 2022), Rt Hon Kit Malthouse MP (September 2022–October 2022), Rt Hon Gillian Keegan MP (October 2022–present).

499 This position is currently titled ‘Minister of State for Skills, Apprenticeships and Higher Education’, but the wording of the title and the level of seniority (Minister of State or Parliamentary Under-Secretary) have changed several times in recent years.

500 Lord Johnson of Marylebone [then Rt Hon Jo Johnson MP] (May 2015–January 2018, July 2019–September 2019), Sam Gyimah MP (January 2018–November 2018), Rt Hon Chris Skidmore MP (December 2018–July 2019 and September 2019–February 2020), Rt Hon Michelle Donelan MP (February 2020–July 2022), Andrea Jenkyns MP (July 2022–October 2022), Rt Hon Robert Halfon MP (October 2022–present).

501 [Q 3](#) (Sir Michael Barber)

502 [Q 62](#) (Chloe Field), see also written evidence from Shakespeare Martineau LLP ([WOS0008](#)) and Royal Veterinary College ([WOS0055](#))

503 [Q 40](#) (Professor Neil Juster)

504 [Q 48](#) (Vivienne Stern MBE)

505 DfE, *Higher education policy statement & reform consultation* (24 February 2022): <https://www.gov.uk/government/consultations/higher-education-policy-statement-and-reform> [accessed 19 July 2023]

431. Vivienne Stern said that the Government’s strategy for higher education “makes sense”, characterising it as “based on the idea that greater competition will drive up quality but also bring in new providers that offer a greater degree of choice to students”.⁵⁰⁶ Other witnesses, however, were more critical. Lord Johnson, though largely supportive of the OfS and its work, said “the Government strategy for expansion of the sector is a real muddle ... This Government are unsure whether they want more or fewer people to go into higher education.”⁵⁰⁷
432. Speaking on 14 March 2023, Charles Clarke said that the 2019 Augar Report had provided a good blueprint, but was critical of the fact that it had not (then) been implemented. He added that the lack of strategy had led to a “knee-jerk” approach: “The universities agenda, up to and including ministerial level ... has been set by responses to some drama or other that is preoccupying the newspapers.”⁵⁰⁸ In a similar vein, Prof Gaskell argued that, without an overarching strategy, “the annual letters of direction [from Government to the OfS] generate the risk of pushing the regulator in one direction and then tacking back and so on”.⁵⁰⁹
433. Vanessa Wilson argued that “at the moment we do not actually have a higher education strategy ... we work in an absence of government vision.”⁵¹⁰ Chloe Field also said there was “a lack of strategic direction ... That is not on the OfS necessarily, but it is very much on central government.”⁵¹¹
434. For the OfS, Lord Wharton said: “Ministers have been particularly focused on a relatively consistent series of things. In particular, in higher education, they have been very supportive of the OfS’ reforms to its approach to quality”.⁵¹²
435. For the Government, Robert Halfon MP stressed that “there is a strategy ... it is jobs, skills and social justice”, and that changes to the student loan system had been part of this.⁵¹³
436. The Government’s response to the higher education policy statement and reform consultation states that its priority is to “make sure that higher education provision represents value for money for the taxpayer, supports economic growth and provides students with a route into employment.”⁵¹⁴
437. As well as responding to the specific proposals made during the consultation, the response also sets out the Government’s views on the future of the higher education sector. In particular, it highlights the LLE as “a vital cornerstone of the government’s agenda to ... help us move towards a more flexible system across both higher education and further education”. The Government also reiterates its “commitment to a fees-based system” and states that it will “continue to explore” steps it could take to drive up quality.⁵¹⁵
438. **We welcome the publication of the Government’s response to the higher education policy statement and reform consultation, which**

506 [Q 48](#) (Vivienne Stern MBE)

507 [Q 21](#) (Lord Johnson of Marylebone)

508 [Q 32](#) (Rt Hon Charles Clarke)

509 [Q 93](#) (Professor Gaskell)

510 [Q 48](#) (Vanessa Wilson)

511 [Q 62](#) (Chloe Field)

512 [Q 118](#) (Lord Wharton)

513 [Q 151](#) (Robert Halfon MP)

514 DfE, *Higher education policy statement and reform*, pp 10–11

515 *Ibid.*

was long overdue. It remains to be seen whether this document will assuage previous concerns in some quarters that the Government's higher education policy lacks strategic direction.

SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

The OfS' duties and decision-making

1. It is claimed that the OfS' statutory duties are clearly set out in legislation, but they have been applied inconsistently and unequally. Given that the OfS' duties are "have regard to" duties, with no sense of priorities, the regulator, and by extension the Government, have a large degree of freedom in choosing what to focus on. In our view, this creates confusion over the OfS' objectives. (Paragraph 34)
2. In particular, the OfS does not appear to have prioritised its duties to protect the institutional autonomy of providers or to have regard to the principles of best regulatory practice, causing friction between the regulator and the sector. (Paragraph 35)
3. Moreover, the OfS appears to believe that having regard to its duties does not require it to demonstrate that it has given weight to the underlying objectives of those duties. This makes it more difficult for the OfS to be held accountable for its compliance with its duties. (Paragraph 36)
4. When making changes to its regulatory framework, the OfS should make clear how it has taken its statutory duties into account, and where it has not done so, explain why. It is particularly important that clear reasons are given for any limitation of institutional autonomy. (Paragraph 37)
5. The OfS should improve its adherence to best regulatory practice through closer alignment with the Regulators' Code. It should do so with respect to how it implements its policies and procedures, as well as how it develops them. (Paragraph 38)
6. The Government should consider whether the OfS should be required to demonstrate that it has taken account of particular objectives, rather than merely stating that it has regard to them. (Paragraph 39)
7. The OfS has now become involved in the micro-management of issues such as freedom of speech and sexual harassment. While undoubtedly important, these matters would be better dealt with by effective review of provider governance and disseminating best practice rather than through prescriptive regulatory requirements and time-consuming processes. (Paragraph 47)
8. We note that the Government is committed to a public body review of the OfS. As well as considering whether the OfS' work remains useful and necessary, the Government should review the activities of the OfS with a view to focusing on the strategic issues facing the sector. (Paragraph 48)
9. The proliferation of regulators in the higher education sector has caused duplication and red tape, increasing the burdens on providers—particularly in the area of graduate apprenticeships, where at least four other regulators have responsibilities in addition to the OfS. This issue is exacerbated by the apparent lack of effective collaboration between regulators. (Paragraph 54)
10. We welcome the Minister's recognition of the problems created by regulatory duplication in the higher education sector and his willingness to address this issue. In its response to this report, the Department for Education should set out in further detail the steps it is taking to streamline regulatory

responsibilities within the sector, including its proposed timetable for this. (Paragraph 55)

Financial sustainability

11. The higher education sector faces several financial risks. These risks are exacerbated by the freezing of tuition fees for home undergraduate students, the sector's main source of income, especially at a time of high inflation. Higher education institutions now make a loss when teaching domestic students and conducting research. These shortfalls have led institutions to become increasingly reliant on cross-subsidy from international and postgraduate students, whose fees are not capped. (Paragraph 96)
12. The contribution of international students to higher education is valuable and welcome but the sector's dependency on their fees comes with risks. (Paragraph 97)
13. There is a worrying complacency in some quarters that the premium from overseas students could be banked for the long term. But this takes no account of a) the significant imbalance in where overseas students are coming from, particularly China, which concentrates the risks of geopolitical shifts; and b) an increasingly competitive international environment. It is therefore unclear why a student would pay a substantial premium to study in the UK, whilst in other countries, which may include their own, the quality of the offer is improving. (Paragraph 98)
14. The current system of higher education funding is not sustainable and will lead to growing issues in the coming years. The decline in the real-terms value of tuition fees has led institutions to make substantial efficiencies already, and the extent to which further efficiencies are possible is unclear. Further funding shortfalls will lead to risks for the breadth and quality of higher education provision. (Paragraph 99)
15. Given the scale of these challenges, we were surprised by the OfS Chair's assertion that the sector's finances are "in good shape". This is not an assessment that we or most of our witnesses share. In our view, this remark is indicative of the insufficient attention the OfS has paid to the financial risks facing the sector. (Paragraph 100)
16. While individual institutions are responsible for managing their own finances, the Government controls their main sources of income through the cap on tuition fees for domestic undergraduates, and through research funding, including via its approach to the UK's association with Horizon Europe. It also has an influence over the level of international student recruitment, a key part of providers' business models, through its immigration policy. (Paragraph 101)
17. It is therefore the responsibility of the Government to put in place a stable funding model for higher education that enables institutions to plan for the long-term sustainability of the sector. It has yet to do this. (Paragraph 102)
18. The Government should review how higher education is funded. In doing so, it must provide sufficient clarity for institutions to plan for the long-term and set sustainable funding and delivery models for the higher education sector. This review should take into account the planned changes to the student finance model under the Lifelong Learning Entitlement. (Paragraph 103)

19. The OfS' targeted approach can mean it communicates little with institutions whose financial data appears healthy. This limits the regulator's knowledge of providers that are not in financial difficulties, makes it harder to identify risks that are not evident in financial data and means that relationships may have to be built from scratch if difficulties occur. It is welcome that the OfS has recognised this and introduced greater direct engagement with providers this year. (Paragraph 117)
20. The OfS should prioritise holding discussions with providers more regularly about their financial situation, in particular those that are not considered high-risk. (Paragraph 118)
21. It is worrying that some institutions would be unwilling to engage with the OfS in the early stages of falling into financial difficulty for fear of a punitive regulatory response, especially given the OfS' risk-based approach to engagement. This hampers the ability of institutions and the regulator to plan together and take early action against emerging financial risks. Trust would be improved by greater mutual engagement between providers and the regulator, which could help improve the willingness of providers to discuss emerging problems. The OfS' publication of case studies, providing more clarity for providers on its approach, is welcome. (Paragraph 136)
22. The OfS has indicated that its role is not to bail out failing providers but to support their students to continue their studies in other institutions. While this was successful in the case of a recent market exit by a small provider, there are questions as to the practicality of this approach in the event of the failure of large institutions or of large numbers of institutions. In these instances, it would be difficult to ensure alternative places for large numbers of students. (Paragraph 137)
23. HEFCE, the OfS' predecessor, had the ability to facilitate and broker mergers and consolidations of providers where there were difficulties, facilitating planned solutions rather than disorderly exits. It is not clear whether either the OfS or the Government has taken on any strategic oversight of the sector in this vein, despite an apparent expectation of greater consolidation of providers through mergers. (Paragraph 138)
24. The Government and the OfS should clarify whether there is any strategic oversight of the higher education sector's long-term financial stability, including whether to encourage mergers and consolidation. If no such function exists, they should consider whether it is necessary and which body should take this responsibility. (Paragraph 139)

Value for money

25. Given the financial cost of higher education to students, we welcome that the OfS is focused on ensuring their courses are of sufficient value and lead to positive outcomes. It is likely that this has already had some impact in focusing institutions on improving provision. (Paragraph 162)
26. Value for money in the context of higher education is a subjective concept and is difficult to measure. However, the proxies used by the OfS to indicate positive outcomes, particularly in relation to continuation and completion of courses and graduate outcomes, are simplistic, narrow and fail to reflect the broad value of the higher education experience and the skills needed for the future. (Paragraph 163)

27. The OfS' proxies also hold providers accountable for their students' subsequent employment outcomes, which are often affected by many factors outside the providers' control, such as students' backgrounds. Focusing too heavily on regulating according to these outcomes has the potential to run counter to efforts to widen access to university, both by penalising institutions that take on students from disadvantaged backgrounds and by underplaying the benefits of courses that are less directly vocational. (Paragraph 164)
28. The OfS should conduct and publish further work to assess the broader value of the higher education experience, particularly for those from disadvantaged backgrounds. This should involve looking at the potential to measure the wider value added by higher education, as well as the outcomes that follow it. This work must be done in collaboration with stakeholders across the sector, including students. (Paragraph 165)
29. It is important to remember that going to university is a very significant financial commitment to make at any time, let alone as a young person. It is therefore imperative that students are given clear, accessible information on what they can expect as part of their course. (Paragraph 183)
30. We heard that the information provided by higher education institutions can differ greatly in this respect and that it is not clear to students what their rights are or what they can expect from their courses. This lack of transparency is unacceptable given the level of financial commitment involved. (Paragraph 184)
31. The OfS should ensure that when prospective students apply for a course, they receive clear, digestible general information on the approximate contact hours they can expect to receive; the balance between online and in-person learning; the likely cost of living as a student on the course as it is running, including accommodation and hidden course costs; and the potential costs of student loan repayments over time for those on average graduate earnings. The OfS should hold providers to account for delivering this information, and should consider tougher regulatory consequences for those that do not. The OfS should also ensure that its approach is in alignment with the latest guidance issued by the Competition and Markets Authority on consumer protection. (Paragraph 185)

Quality, standards, competition and choice

32. We are concerned by England's recent shift away from European quality standards, to the point that the QAA was temporarily suspended from the European Quality Assurance Register for Higher Education. Given the financial importance of overseas students to higher education institutions, it is crucial to maintain the international reputation of the sector. However, the regulatory approach in England has unnecessarily raised questions about the quality of higher education provision, including by making it unclear whether quality and standards are being regularly checked. (Paragraph 236)
33. When the HERA was passed, it was expected that the Quality Assurance Agency for Higher Education (QAA) would fulfil the Designated Quality Body (DQB) role. It is understandable that the OfS and the QAA, which are different bodies in style and philosophy, would have some issues as they adapted to the new framework. (Paragraph 237)

34. The OfS appears to have taken little responsibility for resolving these issues, despite frequent changes to what it expected to receive from DQB reports. While the OfS has the power to give the DQB general directions, it seems to have given very specific directions with little regard to the expertise and impartiality of the DQB. It is disappointing that the OfS apparently views its own convenience and control as more important than preserving independent oversight of quality and standards. Nor is it clear why the OfS acted in the way that it did. (Paragraph 238)
35. It is not clear whether the OfS has or will be able to develop the capability to take on the DQB role smoothly. It is clear, however, that the OfS does not have the confidence of the sector in providing an impartial assessment of quality and standards. The current situation has the potential to be both impractical and a threat to academic independence. (Paragraph 239)
36. The QAA has the confidence of providers and a strong international reputation. By contrast, the OfS' approach to quality has fallen out of alignment with international standards and called into question the international reputation of the sector. However, the circumstances of the QAA's de-designation remain unclear and contested, and the difficulties we faced in getting a clear account of these issues is a problem in and of itself. (Paragraph 240)
37. The OfS should work urgently to align its framework for quality with international standards, including by publishing all assessment reports and including students on assessment teams. The OfS should explore the extent to which its own assessment of risks as part of its risk-based framework and its broader regulatory activity can count as cyclical review. (Paragraph 241)
38. The OfS should make the necessary adjustments to its framework to comply with international standards and respect the DQB's need to make impartial assessments of quality and standards, with a view to allowing the QAA or another arms-length body to perform the role. (Paragraph 242)
39. The OfS should provide a transparent estimate of the additional costs to be incurred by taking on the DQB role and report annually thereafter on the cost and effectiveness of its performance of the role. (Paragraph 243)
40. It is welcome that the OfS has provided new guidance to new entrants on its registration process. After a suitable period, the OfS should review the impact of this guidance in encouraging new entrants into the sector, with the aim of streamlining the process and increasing innovation in provision, set against realistic targets. In a similar vein, the OfS should produce greater guidance on validation, outlining the likely requirements, costs and timescales of the process. (Paragraph 257)
41. We welcome the proposed introduction of the Lifelong Loan Entitlement. However, there are concerns that the OfS' approach to regulation may stifle innovation and the prospects for a greater diversity of provision. It is also unclear whether the OfS is prepared for this substantial new role. (Paragraph 265)
42. As it takes on its role in relation to the Lifelong Loan Entitlement, the OfS will need to review whether its approach to assessing student outcomes is flexible enough to accurately cover short courses and diverse forms of provision without overly burdening providers. (Paragraph 266)

The student interest and student engagement

43. Although the name and role of the OfS places students at the heart of its work, some student concerns, such as the cost of living, are not within its remit or ability to address as a higher education regulator. This is an inevitable limiting factor on its ability to act in students' interests and can fuel a perception that it is not focused on students' priorities. (Paragraph 276)
44. It is far from clear to many in the sector how the OfS defines "the student interest", and therefore how it addresses it. There is a perception among some that "the student interest" is defined by the OfS in line with the political priorities of Ministers rather than the priorities of students. Its recent focus on freedom of speech issues was cited by witnesses as a key example of this. (Paragraph 277)
45. The OfS should conduct detailed scoping work on how it defines "the student interest" and how this informs its work. This work should be informed by engagement with students, and the results should be published in a transparent manner. (Paragraph 278)
46. The OfS' mechanisms for engaging students, such as the student board member, Student Panel and the National Student Survey (NSS), are welcome and can provide valuable input. However, it is not clear how this input is used by the OfS or the extent to which it drives its work. The students we spoke to felt that the OfS did not always act on their concerns and suggested that it treated engagement as a tick-box exercise. There was also a perception that the OfS is more likely to take student input on board when it aligns with the OfS' own direction. (Paragraph 313)
47. It is positive that the OfS is now considering how the Student Panel can be made more effective and impact more on the OfS' decision-making. However, it is important that these reforms allow the Panel to continue to focus on student priorities as well as the priorities of the OfS. (Paragraph 314)
48. It was deeply concerning to hear allegations that the OfS issued veiled threats regarding the future of the Student Panel because members raised issues deemed to be of importance to students. This is precisely the sort of activity that the Student Panel would be expected to do, and it suggests that the OfS is not open or responsive to the feedback it receives from the Panel. (Paragraph 315)
49. Given the OfS' responsibility for defending student interests, it should refresh its approach to student engagement by opening up more of its work to co-creation with students. It should also consider deepening its engagement with student representative bodies, such as the National Union of Students. (Paragraph 316)
50. The OfS should set out annually how it has gathered student input and how this has driven its priorities and decision-making, either as part of its Annual Report or in a standalone report. (Paragraph 317)
51. Student awareness of what the OfS is and what it does appears to be low. The OfS should do more to communicate its work to students, particularly the impact of its student engagement work. (Paragraph 318)

52. The Student Panel must remain free to raise issues that are of importance to students, including where the views of students diverge from those of the Government. (Paragraph 319)
53. Although the Student Panel is not designed to be a representative body, the OfS should ensure the Panel encompasses the diversity of the student population to the greatest extent possible, in particular in the balance between undergraduate and postgraduate students. (Paragraph 320)
54. We recommend that there are at least two student representatives on the OfS' Board, to support those involved in feeling more confident to make contributions. (Paragraph 321)

The regulatory framework, sector relations and resources

55. The OfS' regulatory framework has become increasingly prescriptive over time. It is too willing to direct higher education providers' operations and activities, showing little regard to the need to protect institutional autonomy. (Paragraph 342)
56. The OfS appears to have given insufficient thought to the impact of its actions, requests and decisions in adding regulatory burdens to providers. The OfS also makes frequent and often ad hoc requests for data that are both burdensome and, at times, duplicative of similar requests from other regulators—including asking providers for the same data submitted to other regulators, but in different formats. (Paragraph 343)
57. In many areas, it appears unclear to institutions what compliance with the regulatory framework looks like or why the OfS requests data from them. This lack of clarity for providers extends to the OfS' approach to investigations, where it is not clear what has triggered investigations, the process involved or the likely timescales and outcomes. Uncertainty over why the OfS acts in the way that it does has created distrust and friction between the regulator and the sector. (Paragraph 344)
58. The Department for Education should reconvene the Higher Education Data Reduction Taskforce in order to address duplication and reduce unnecessary burden on providers. (Paragraph 345)
59. When seeking data from institutions, the OfS should clearly state what use it intends to make of it. When requiring actions, the OfS should give a clear idea of what objectives are being served. A clearer statement of the goals being sought will reduce the need for the OfS to prescribe how to meet them and give institutions more flexibility in taking their own routes to compliance. (Paragraph 346)
60. The OfS should publish its approach to investigations. When the OfS investigates a provider it should indicate the basis for its concerns, and provide what detail it can on the expected timescales and outcomes. (Paragraph 347)
61. The OfS' publication of case studies in relation to financial monitoring has been welcomed, as noted in Chapter 3. The OfS should consider the publication of similar case studies in other areas of its regulation to clarify its expectations and approach, with a view to sharing examples of best practice. (Paragraph 348)

62. Relations between the OfS and the higher education sector have been poor, to the point of adversarial. This is in part because the OfS' approach to providers to date has been overly distant and combative, giving the impression that they are looking to punish them rather than support them towards compliance. It is therefore welcome that the OfS has recently recognised the need for better communication and greater engagement with the sector. (Paragraph 364)
63. It is concerning that providers do not know who to contact at the OfS with concerns and struggle to receive a timely or helpful response when they do. Providers need to be able to contact OfS staff who are responsible for regulating them. (Paragraph 365)
64. Overall, we are concerned that the OfS focuses too heavily on analysing the huge volume of data it requires from institutions and too little on understanding the context within which that data sits. (Paragraph 366)
65. It is positive that OfS senior staff now intend to visit higher education providers more regularly, as this kind of informal contact between institutions can provide valuable insights that cannot be gleaned from datasets. (Paragraph 367)
66. The OfS should establish an annual mechanism for the sector to provide feedback to the regulator, as is established practice within other regulators. This should involve a survey and an annual meeting with providers driven by the sector's priorities, in addition to those of the regulator. (Paragraph 368)
67. The OfS should rebalance its approach and spend more time engaging with providers, spreading the good practice evident in its approach to access and participation. The OfS should clarify to individual providers who their named contact is and ensure that the contact offers a meeting to each provider at least annually. (Paragraph 369)
68. Despite its own focus on value for money for students, it appears that the OfS struggles to deliver value for money to providers. OfS registration fees may seem reasonable on a cost per student basis, but the OfS' activities cause a much wider range of compliance costs for institutions, and it is not clear that the OfS is targeting its resources at the highest risk areas or delivering in a timely way for the sector. (Paragraph 382)
69. It is galling for providers that an increase of up to 12% to the OfS' registration fees for 2023/24 has been proposed, when the sector has faced an environment where home undergraduate student fees have been frozen. (Paragraph 383)
70. The proposed uplift in fees is driven at least in part by the expected increase in the regulator's responsibilities, including taking on the role of the Designated Quality Body (DQB) and the expansion of its activities into other areas such as freedom of speech and sexual harassment. This is particularly frustrating for providers: the OfS appears to be adding to the regulatory burden they face and then charging them more as a result. (Paragraph 384)
71. The Government should examine how the OfS targets and uses its resources and how it is held to account for this. (Paragraph 385)

Political independence and the role of the Government

72. There is a perception in the sector that the Government's guidance to the OfS in relation to its regulatory activity is overly prescriptive, and that the guidance letters it sends are unusually frequent. (Paragraph 398)
73. Government guidance on OfS regulation should be less prescriptive, and should be limited to higher level, strategic input. (Paragraph 399)
74. The actions of the OfS and the prioritisation of its duties appear to be reactive and driven by political pressures and input. While there are a small number of cases where the OfS has pushed back against the Government's view, in too many cases the OfS has translated ministerial and media attitudes directly into regulatory demands on providers. (Paragraph 411)
75. It is vital that regulators not only act with an appropriate degree of independence from the Government, but that they are perceived as doing so. This is evidently not the case for the OfS, where there is a widespread perception among providers, students and other stakeholders that it is not sufficiently independent. (Paragraph 412)
76. In their responses to this report, the Government and the OfS should set out the steps they each intend to take to support the OfS' ability to operate independently from the Government. (Paragraph 413)
77. The perception that the OfS lacks independence from the Government has not been aided by its Chair continuing to take the whip of the governing party in the House of Lords, whilst simultaneously claiming the organisation, as a regulator, is independent of the Government. Although he was under no obligation to do so, it would nevertheless have helped to ease concerns if the Chair had resigned the whip and become non-affiliated for his time in post, as others in similar positions have done in the past. (Paragraph 422)
78. As a matter of principle, serving politicians should resign any party political whip they hold before becoming Chairs of independent regulators. The Government should consider making this a requirement. (Paragraph 423)
79. Political instability has meant that the OfS has had to work with seven Education Secretaries and six Universities Ministers since it began operating in 2018. This ministerial churn has contributed to the wider sense of instability in the sector. (Paragraph 428)
80. We welcome the publication of the Government's response to the higher education policy statement and reform consultation, which was long overdue. It remains to be seen whether this document will assuage previous concerns in some quarters that the Government's higher education policy lacks strategic direction. (Paragraph 438)

APPENDIX 1: LIST OF MEMBERS AND DECLARATIONS OF INTEREST

Members

Lord Agnew of Oulton
 Baroness Bowles of Berkhamsted
 Lord Burns
 Viscount Chandos
 Lord Clement-Jones
 Lord Cromwell
 Lord Gilbert of Panteg
 Lord Hollick
 Lord Leong (until 12 June 2023)
 Baroness McGregor-Smith
 Baroness O’Grady (from 12 June 2023)
 Lord Reay
 Baroness Taylor of Bolton

Declarations of interest

Lord Agnew of Oulton
Zen Educate Limited (education)
Director—National Institute of Teaching
Chairman of Trustees and Director, Inspiration Trust (multi-academy trust of academies and free school in East Anglia).

Baroness Bowles of Berkhamsted
Interests as set out in the Register of Lords’ Interests

Lord Burns
Vice President of Royal Academy of Music

Viscount Chandos
Trustee and Vice-Chair of London Academy of Music and Dramatic Art (LAMDA)
Co-opted member of the investment Committee of Worcester College, Oxford

Lord Clement-Jones
Chair of Council of Queen Mary University of London

Lord Cromwell
Interests as set out in the Register of Lords’ Interests

Lord Gilbert of Panteg
Interests as set out in the Register of Lords’ Interests

Lord Hollick
Shareholder, Higher Education International (online education)

Lord Leong (until 12 June 2023)
Chair of the Council for Education in the Commonwealth

Baroness O’Grady
Interests as set out in the Register of Lords’ Interests

Baroness McGregor-Smith
Chair of the Institute of Apprenticeships and Technical Education

Lord Reay
Interests as set out in the Register of Lords’ Interests

Baroness Taylor of Bolton
2016–22 Chair of Council, University of Bradford (ceased August 2022)

APPENDIX 2: LIST OF WITNESSES

Evidence is published online at <https://committees.parliament.uk/work/7347/the-work-of-the-office-for-students/publications/> and available for inspection at the Parliamentary Archives (020 7219 3074). Evidence received by the Committee is listed below in chronological order of oral evidence session and in alphabetical order. Those witnesses marked with ** gave both oral and written evidence. Those marked with * gave oral evidence and did not submit any written evidence. All other witnesses submitted written evidence only.

Oral evidence in chronological order

*	Dame Nicola Dandridge DBE, former Chief Executive, Office for Students	QQ 1–17
*	Sir Michael Barber, former Chair, Office for Students	QQ 1–17
*	The Rt Hon Lord Johnson of Marylebone, Former Minister for Universities, Science and Innovation	QQ 18–29
*	Rt Hon Charles Clarke, Visiting Professor, Lancaster University and King’s College London, and Former Secretary of State for Education	QQ 18–29
*	Professor Susan Lea, former Vice-Chancellor, University of Hull	QQ 30–38
*	Sir David Eastwood, former Vice-Chancellor, University of East Anglia, former Vice-Chancellor, University of Birmingham and former Chief Executive, Higher Education Funding Council for England	QQ 30–38
*	Professor Dame Nancy Rothwell, President and Vice-Chancellor, University of Manchester	QQ 39–47
*	Professor Neal Juster, Vice-Chancellor, University of Lincoln	QQ 39–47
**	Vivienne Stern MBE, Chief Executive, Universities UK	QQ 48–53
**	Vanessa Wilson, CEO, University Alliance	QQ 48–53
*	Rachel Hewitt, Chief Executive MillionPlus	QQ 54–60
*	Alex Proudfoot, Chief Executive, Independent Higher Education	QQ 54–60
*	Chloe Field, Vice President For Higher Education, National Union of Students	QQ 61–68
*	Martha Longdon, Former Chair, OfS Student Panel	QQ 69–78
*	Francesco Masala, Former member, OfS Student Panel	QQ 69–78
*	Anthony McClaran, Chair, GuildHE	QQ 79–86
**	Professor Simon Gaskell, Chair, Quality Assurance Agency for Higher Education	QQ 87–94

**	Vicki Stott, Chief Executive, Quality Assurance Agency for Higher Education	QQ 87–94
**	Nicola Owen, Deputy Chief Executive (Operations), Lancaster University, and Chair, Association of Heads of University Administration	QQ 95–105
*	Erica Conway, Chief Financial Officer, University of Birmingham, and Chair, British Universities Finance Directors Group	QQ 95–105
*	Mack Marshall, Education Officer, Newcastle University Students' Union	QQ 106–113
*	Rania Regaieg, Chair of the Board of Trustees, Director and President of the Students' Union, University of the West of England	QQ 106–113
**	Susan Lapworth, Chief Executive, Office for Students	QQ 114–131
**	The Lord Wharton of Yarm, Chair, Office for Students	QQ 114–131
**	Robert Halfon MP, Minister for Skills, Apprenticeships, and Higher Education, Department for Education	QQ 132–151
**	Anne Spinali, Director of Higher Education Reform and Funding, Department for Education	QQ 132–151

Alphabetical list of all witnesses

	Academic Registrars' Council	WOS0014
	Professor Geoffrey Alderman, Principal/Director, Nelson College London	WOS0005
	Anonymised	WOS0004
	Anonymised	WOS0067
	Anonymised	WOS0070
	Professor Paul Ashwin, Professor of Higher Education, Lancaster University	WOS0002
	Association of Colleges	WOS0050
	Association of Heads of University Administration	WOS0060
	Association of School and College Leaders	WOS0030
*	Sir Michael Barber, former Chair, Office for Students (QQ 1–17)	
	Brunel University London	WOS0021
	The Cathedrals Group of Universities	WOS0022
*	Rt Hon Charles Clarke, Visiting Professor, Lancaster University and King's College London, and Former Secretary of State for Education (QQ 18–29)	
	Mr Simon Cohen, CEO, Innovate Pharmaceuticals Ltd	WOS0037

- * Erica Conway, Chief Financial Officer, University of Birmingham, and Chair, British Universities Finance Directors Group ([QQ 95–105](#))
- * Dame Nicola Dandridge DBE, former Chief Executive, Office for Students ([QQ 1–17](#))
- Elinor Davies, Director of Education Quality and Policy, University of Bristol, and Professor Kate Whittington, Associate Pro Vice-Chancellor (Education Quality and Standards), University of Bristol [WOS0039](#)
- ** Department for Education and Skills ([QQ 132–151](#)) [WOS0061](#)
- * Sir David Eastwood, former Vice-Chancellor, University of East Anglia, former Vice-Chancellor, University of Birmingham and former Chief Executive, Higher Education Funding Council for England ([QQ 30–38](#))
- Engineering College of Technology (ECT) [WOS0031](#)
- Engineering Professors' Council and the Engineering Council (joint response) [WOS0048](#)
- Professor G. R. Evans [WOS0006](#)
- Fair Access Coalition [WOS0049](#)
- * Chloe Field, Vice President For Higher Education, National Union of Students ([QQ 61–68](#))
- The Free Churches Group of England and Wales [WOS0051](#)
- ** Professor Simon Gaskell, Chair, Quality Assurance Agency for Higher Education ([QQ 87–94](#)) [WOS0024](#)
- [WOS0068](#)
- GuildHE ([QQ 79–86](#)) [WOS0035](#)
- ** Robert Halfon MP, Minister for Skills, Apprenticeships and Higher Education, Department for Education ([QQ 132–151](#)) [WOS0061](#)
- Miranda Harmer, former member, OfS Student Panel [WOS0064](#)
- ** Rachel Hewitt, Chief Executive, MillionPlus ([QQ 54–60](#)) [WOS0042](#)
- Higher Education Funding Council for Wales [WOS0017](#)
- Dr David Hitchcock, Senior Lecturer in Early Modern History, Canterbury Christ Church University, Dr Sylvia De Mars, Senior Lecturer in Law, Newcastle University, and Dr Emma Kennedy, Senior Lecturer in HE Learning & Teaching, Greenwich University [WOS0038](#)
- Imperial College London [WOS0059](#)
- ** Independent Higher Education ([QQ 54–60](#)) [WOS0065](#)

- ★ The Rt Hon Lord Jo Johnson, Former Minister of State, Universities, Science, Research and Innovation ([QQ 18–29](#))
- ★ Professor Neal Juster, Vice-Chancellor, The University of Lincoln ([QQ 39–47](#))
- ★ Professor Susan Lea, Former Vice-Chancellor, The University of Hull ([QQ 30–38](#))
London Higher [WOS0028](#)
- ★ Martha Longdon, Former Chair, OfS Student Panel ([QQ 69–78](#))
Manchester Metropolitan University [WOS0032](#)
- ★ Mack Marshall, Education Officer, Newcastle University Students' Union ([QQ 106–113](#))
- ★ Francesco Masala, Former member, OfS Student Panel ([QQ 69–78](#))
Miss Sophie McCarthy, Student Board Member, Independent HE [WOS0047](#)
- ★★ MillionPlus ([QQ 54–60](#)) [WOS0042](#)
Dr Lavinia Mitton [WOS0054](#)
Mixed Economy Group of Colleges [WOS0027](#)
Elizabeth Molyneux, Lecturer in English Language Teaching, Edge Hill University [WOS0003](#)
National Secular Society [WOS0012](#)
National Union of Students [WOS0015](#)
- ★★ Office for Students ([QQ 114–131](#)) [WOS0001](#)
- ★★ Nicola Owen, Deputy Chief Executive (Operations), Lancaster University and Chair, Association of Heads of University Administration ([QQ 95–105](#)) [WOS0060](#)
Oxford Brookes University [WOS0023](#)
- ★★ Alex Proudfoot, Chief Executive, Independent Higher Education ([QQ 54–60](#)) [WOS0065](#)
- ★★ Quality Assurance Agency for Higher Education, QAA ([QQ 87–94](#)) [WOS0024](#)
[WOS0068](#)
- ★ Rania Regaieg, Chair of the Board of Trustees, Director and President of the Students' Union, University of the West of England ([QQ 106–113](#))
- ★ Professor Dame Nancy Rothwell, President and Vice-Chancellor, The University of Manchester ([QQ 39–47](#))
Royal Academy of Engineering [WOS0044](#)
The Royal Veterinary College, RVC [WOS0055](#)

	Russell Group of Universities	<u>WOS0016</u>
	Shakespeare Martineau LLP	<u>WOS0008</u>
	Social Market Foundation, SMF	<u>WOS0043</u>
**	Anne Spinali, Director of Higher Education Reform and Funding, Department for Education (<u>QQ 132-151</u>)	<u>WOS0061</u>
	Staffordshire University	<u>WOS0056</u>
	Vivienne Stern MBE, Chief Executive, Universities UK (<u>QQ 48-53</u>)	<u>WOS0034</u>
**	Vicki Stott, Chief Executive, Quality Assurance Agency for Higher Education (<u>QQ 87-94</u>)	<u>WOS0024</u> <u>WOS0068</u>
	Dr Mary Synge	<u>WOS0018</u>
	Professor James Tooley, Vice-Chancellor, University of Buckingham	<u>WOS0046</u>
**	Vanessa Wilson, CEO, University Alliance (<u>QQ 48-53</u>)	<u>WOS0040</u>
**	Lord Wharton of Yarm, Chair, Office for Students. (<u>QQ 114-131</u>)	<u>WOS0001</u>
	Universities and College Information Systems Association	<u>WOS0041</u>
	Universities and Colleges Admissions Service	<u>WOS0063</u>
**	Universities UK, UUK (<u>QQ 48-53</u>)	<u>WOS0034</u>
**	University Alliance (<u>QQ 48-53</u>)	<u>WOS0040</u>
	University and College Union	<u>WOS0020</u>
	University of Bolton	<u>WOS0045</u>
	University of East Anglia	<u>WOS0057</u>
	University of Huddersfield	<u>WOS0019</u>
	University of Kent	<u>WOS0013</u>
	University of Oxford	<u>WOS0029</u>
	University of Plymouth	<u>WOS0026</u>
	University of Southampton	<u>WOS0025</u>
	University of Suffolk	<u>WOS0036</u>
	University of Sunderland	<u>WOS0052</u>
	University of Westminster	<u>WOS0007</u>
	Worcester Students' Union	<u>WOS0033</u>

APPENDIX 3: CALL FOR EVIDENCE

The inquiry will scrutinise whether the statutory duties of the OfS are clear and examine its performance against those duties since its establishment. The inquiry will look at how the OfS' regulatory framework has developed since its inception, its independence from and relationship with the Government, and whether it has the necessary expertise and resources to carry out its functions. The inquiry will also examine the OfS' work in relation to the financial sustainability of the higher education sector. This will include consideration of the extent of systemic financial risks in the sector, such as the reliance of some universities on overseas students, how the OfS considers and manages these risks, and the potential consequences of and processes for the failure of providers.

The Committee is seeking evidence on the following questions:

1. Are the OfS' statutory duties clear and appropriate? How successful has the OfS been in performing these duties, and have some duties been prioritised over others?
2. How closely does the OfS' regulatory framework adhere to its statutory duties? How has this framework developed over time, and what impacts has this had on higher education providers?
3. What is the nature of the relationship between the OfS and the Government? Does this strike the right balance between providing guidance and maintaining regulatory independence?
4. Does the OfS have sufficient powers, resources and expertise to meet its duties? How has its expertise been affected by the Quality Assurance Agency for Higher Education's decision not to continue as the OfS' Designated Quality Body?
5. How does the OfS measure value for money for students? How can this be measured in an objective, tangible way that is not based on political judgements about the value of subject areas or types of institution?
6. How does the OfS engage with students? To what extent does input from students drive the OfS' view of their interests and its regulatory actions to protect those interests?
7. What is the nature of the OfS' relationship with universities? Does the OfS strike the right balance between working collaboratively with universities and providing robust challenge?
8. What systemic financial risks are present in the higher education sector? Is there the potential for significant provider failures if these risks crystallise, for example through an unexpected reduction in numbers of overseas students or an unexpected increase in pension costs? Are these risks limited to particular groups of providers or are they widespread or systemic in nature?
9. What business models are present in the UK higher education sector? Are these models resilient to the financial risks of the sector, and are universities focusing sufficiently on having a viable business model?

10. How does the OfS oversee the financial sustainability of the higher education sector? Is its approach to this issue clear, and is its oversight sufficient to spot potential risks early on and take action accordingly?
11. What is the OfS' tolerance for the failure of higher education providers, and what processes are in place to manage provider failure? Would the failure of a large provider follow a clear regulatory process or is there the potential for political considerations to play a role in such decisions?
12. To what extent is the financial sustainability of providers determined by government policy and funding rather than the OfS' regulation? Is there a need for policy change or further clarity to ensure the sustainability of the sector?

Diversity comes in many forms and hearing a range of different perspectives means that committees are better informed and can more effectively scrutinise public policy and legislation. Committees can undertake their role most effectively when they hear from a wide range of individuals, sectors or groups in society affected by a particular policy or piece of legislation. We encourage anyone with experience or expertise of an issue under investigation by a select committee to share their views with the committee, with the full knowledge that their views have value and are welcome.

APPENDIX 4: GLOSSARY

AHUA	Association of Heads of University Administration
ALRA	Academy of Live and Recorded Arts
CMA	Competition and Markets Authority
CWUR	Centre for World University Rankings
DAPs	Degree Awarding Powers
DQB	Designated Quality Body
EQAR	European Quality Assurance Register for Higher Education
ESFA	The Education and Skills Funding Agency
ESG	European Standards and Guidelines
HEFCE	Higher Education Funding Council for England
HEFCW	The Higher Education Funding Council for Wales
HERA	Higher Education and Research Act
HSE	Health and Safety Executive
ICO	Information Commissioner's Office
IfATE	The Institute for Apprenticeships and Technical Education
IPSO	Independent Press Standards Organisation
LLE	Lifelong Loan Entitlement
NAO	National Audit Office
NSS	The National Student Survey
NUS	National Union of Students
Ofqual	The Office of Qualifications and Examination Regulation
OfS	Office for Students
Ofsted	The Office for Standards in Education, Children's Services and Skills
OIA	Office of the Independent Adjudicator for Higher Education
ONS	Office for National Statistics
QAA	Quality Assurance Agency for Higher Education
SMF	Social Market Foundation
SOC	Standard Occupational Classification
STEM	Science, Technology, Engineering, Mathematics
TEF	Teaching Excellence Framework
TEQSA	Tertiary Education Quality and Standards Agency
UCAS	University and Colleges Admissions Service
UCU	University and College Union
UKVI	UK Visas and Immigration