Office for Students

English higher education 2019

The Office for Students annual review

The photographs on pages 50 and 62 were taken at Weston College by Liam Mercer.

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Foreword

Sir Michael Barber, OfS chair

Our students benefit from a higher education system that is globally recognised for its contribution, as much as are our theatre and arts, science and medicine, museums and historic buildings, the BBC and the Premier League. This reputation is to be cherished in the context of fierce competition and volatility. But this is not just a global imperative: we must equally recognise the transformative impact of our universities and colleges on the lives of individual students and their local and regional communities. And we must make efforts continually to improve them.

Over the last 18 months the Office for Students (OfS) has established itself to do just that for English higher education. This annual review sets out the work that has been delivered as well as the work that lies ahead if the OfS and the universities and colleges it regulates are to ensure that every student, whatever their background, has a fulfilling experience of higher education that enriches their lives and careers.

The preeminent task of the last year for the OfS has been to register universities and colleges. This has been a significant undertaking and, as the analysis of the registration process in this review demonstrates, a salutary experience for both the regulator and many regulated higher education providers. While most providers have been able to meet our conditions of registration, we have also imposed regulatory interventions on the majority of providers at the point of registration. Our registration process has revealed a sector that is in good and in many cases excellent health but nonetheless with clear room for improvement.

The area where, above all, the OfS wants to see the most rapid and radical improvement is in securing greater equity in the access and participation of students. We have seen in this year's access and participation plans a welcome shift in ambition and commitment. But this laudable commitment will need to translate quickly into results. The challenge now is to change the facts on the ground. We have established a new approach with longer-term plans, provided targeted funding as well as establishing a 'what works' centre to help universities and colleges meet the challenging targets that they have set and we have approved. The OfS will now be monitoring closely to highlight great achievement and challenge wherever progress is not as fast or as far-reaching as it needs to be.

Over the last year the OfS has also intervened in a range of areas where we hope the higher education sector will take decisive action itself, in order to avoid further regulatory intervention. Neither unexplained grade inflation nor the injudicious use of unconditional offers serve the interest of current, future or recent students. Furthermore, these are the kinds of issues that threaten to undermine the high levels of credibility and public confidence that our universities and colleges enjoy. This is why the OfS will not hesitate to act where there is clear evidence of practices that fail to serve the student or the public interest.

The challenges for both the OfS and English higher education in the coming years are clear. In addition to some of the issues already set out, these challenges extend to securing financial sustainability, improving the quality of teaching, ensuring positive student outcomes and more. But there is every reason to be optimistic. We have a world-class system. With strong leadership at every level and unflinching resolve, there is every reason to believe this can continue to be the case.

Sir Michael Barber

1: Commentary

Nicola Dandridge CBE, OfS chief executive

Higher education in England is outstanding by many measures.

Overall student satisfaction is high: according to the 2019 National Student Survey (NSS), 83 per cent of students were satisfied with their courses.[1] Teaching quality is impressive, with 71 universities holding Gold ratings following the latest round of the Teaching Excellence and Student Outcomes Framework (TEF).[2] Between 2006 and 2016, students' satisfaction with their teaching feedback increased by 15 percentage points.[3] Graduate outcomes demonstrate the long-term benefits of a university education: going to university transforms lives, and the average salary for a graduate aged 21 to 30 is, on average, £4,500 a year higher than for non-graduates.[4]

Excellent teaching and learning often reinforce, and are reinforced by, dynamic research focusing on innovation and social and economic benefit. Graduates contribute essential skills to our communities as doctors, nurses, teachers and in many other roles, while universities and colleges themselves account for 1.2 per cent of the UK's gross domestic product.[5]

English universities and colleges offer an impressive range of courses and ways to study.[6] That diversity enriches the choices available to students and enables innovative provision to suit different students' aspirations and needs. Universities and colleges make a strong contribution to regional and national economic development, underlining their broader role as drivers of economic prosperity, social mobility and cultural enrichment.

In this first 18 months of the OfS's existence, I have seen many examples of this outstanding higher education provision. I have read ambitious and credible access and participation plans, and seen at first hand the commitment of universities and colleges to tackle entrenched disadvantage, not least the unacceptable gaps in attainment for students from minority ethnic backgrounds.

This is an impressive and inspiring record of achievement and commitment. However, the sector's reputation cannot be taken for granted. Nor should its reputation prevent us from recognising and addressing serious issues and concerns where they exist.

Despite progress in recent years, stubborn gaps in access and participation remain. Young people from disadvantaged backgrounds are still far less likely than their better-off peers to go to university, far more likely to drop out when they get there, and less likely to get a good job when they leave.

Admissions practices do not always work in the interests of students, and prospective students too often lack the information they need to make an informed choice about the content, quality and cost of their courses. Teaching quality can be variable, campuses

are not always safe and welcoming places, and many students are concerned about the value for money of their studies.

The OfS was established to address these and other issues. We regulate universities, colleges and other higher education providers in the interests of all students – past, present and future. We want every student, whatever their background, to have a fulfilling experience of higher education that enriches their lives and careers. Across the sector, we aim to incentivise and enable the conditions which allow a diversity of institutions to thrive, compete and improve for the benefit of students. We liaise with our colleagues in Scotland, Wales and Northern Ireland, where it is in the interests of students to do so. We regulate to ensure that students can be sure their university or college meets minimum quality thresholds, and has the money to deliver what it has promised. In so doing, we respect the principles of institutional autonomy and academic freedom – two ingredients crucial to the sector's continuing success.

Over the past year the OfS has highlighted unexplained cases of grade inflation and inappropriate use of unconditional offers. We have intervened, when necessary, to address both issues. We have required providers to take better account of a student's background when making admissions decisions, and put pressure on governing bodies to rein in excessive pay for vice chancellors. We have intervened decisively in cases where university governance has not been good enough. We have refused to register a number of providers where students' educational outcomes or the providers' financial stability fell short.

These are challenging times, for higher education and for the country. Universities and colleges are navigating a complex policy, political and economic environment. Over the past few years they have also faced sustained criticism in the media and elsewhere. Whether justified or not, this risks tarnishing their reputation, and raises questions about their purpose and value.

All these issues threaten not only the enviable reputation of higher education in England, but also the trust and confidence of students and the public in our higher education system. This is a matter of serious concern for a sector of profound importance to our country and our future.

It is simply wrong to suggest that criticism of poor-quality provision and poor outcomes for students, when appropriate and evidenced, amounts to disloyalty that will damage the reputation of English higher education. Indeed the reality is exactly the opposite: saying that everything is perfect in every university and college, when it plainly is not, is dishonest and corrosive, and ultimately will do more damage by undermining trust and confidence.

More to the point, it is not in the interests of students. The OfS seeks to be honest about the experience students receive, however uncomfortable that may be. That is our job. In this, we take our cue from the principles that underpin the institutions we regulate: universities are places of intellectual exploration and, above all, honest enquiry. By drawing attention to the evidence, and to areas of concern as well as outstanding strength, we aim to offer challenge, support, and opportunity for improvement that will make our exceptionally strong higher education sector even stronger.

This annual review sets out our assessment of the current state of English higher education, and reflects on the OfS's progress to date in implementing a new regulatory approach which places students at its heart.

The registration process: Issues and concerns

The OfS's approach to regulation reflects the diversity of the sector. It is designed to ensure a common quality threshold for every university and college offering higher education in England, while respecting the sector's diversity.

The OfS's regulatory framework sets out 24 conditions relating to access and participation, quality and standards, student protection, financial sustainability and governance, all of which providers must satisfy if they wish to be registered with us. Over the past year and a half, we have assessed over 500 applications and registered a total of 387 providers. In so doing, we have gathered a wealth of information and data that will help us, and the sector, to highlight and address issues of common concern and identify areas for improvement.

Some providers submitted strong and credible applications for registration. However, most were incomplete, and a large number contained insufficient or inadequate evidence. Many demonstrated a lack of understanding of the new regulatory requirements. Some seemed to show little recognition that the regulatory environment had changed, and that the OfS is a regulator not a funder. We have recently published a report on the registration process to date and its outcomes for 2019-20, identifying key themes and issues that have emerged.[7]

We did not register providers where we were not confident that they had satisfied the initial conditions of registration. Many of the weaknesses we identified related to how the evidence was presented and explained, rather than to substantive issues with satisfying the conditions. To assure ourselves that this was the case, we undertook often extensive follow-up enquiries and requested information and clarification. This prolonged the process for a significant number of providers, but was important for the robustness of our regulation.

We imposed some form of regulatory intervention on the vast majority of universities and colleges that we have registered. This includes highlighting concerns we want to see addressed, setting out actions to be taken, signalling our intention to undertake more frequent or intensive checks, and imposing specific conditions where we consider there to be a significantly increased risk of a future breach of a condition. The implementation of an efficient and effective monitoring system will be a major task for us in the coming year.

We have already intervened on a number of occasions where providers have been at increased risk of breaching a registration condition. Our monitoring has revealed areas where we are concerned about governance oversight and accountability.

We also want to continue closely monitoring the financial sustainability of universities and colleges. Demonstrating ongoing financial viability and sustainability is a condition of registration, and universities and colleges will need to reassess their financial assumptions and forecasts in a period of considerable volatility and uncertainty. The registration process exposed the extent to which some are being over-optimistic in their planning, and in particular their student number forecasts. We expect realistic evidence-based forecasting and, where appropriate, early warning systems and effective mitigations.

Access and participation

Our objectives for access and participation are unashamedly ambitious. Our aim is to ensure equality of opportunity for all students. This ambition applies across the student lifecycle: we want students from all backgrounds to be able not just to enter higher education, but to thrive when they

get there, and to go on to have fulfilling careers. We believe that it is not possible to have excellence in higher education without equality of opportunity.

We are acutely aware of the scale and complexity of the issues: the interplay of social and economic factors, the role of place and region, the impact of policy and of a student's prior attainment. We recognise that there has been a gradual improvement in the proportions of underrepresented groups going into higher education in recent decades. The latest round of access and participation plans – submitted to the OfS earlier this year – is testament to the genuine commitment of universities and colleges, including those with the most selective intakes, to equality of opportunity.

What we have seen in the past is 'slow but steady' improvement. The trouble is that slow and steady is too slow when people's livelihoods and opportunities are at stake. That is why we are now looking for a radical improvement in progress. During the registration process only 12 providers received no regulatory intervention in relation to the access and participation condition.

We will monitor these plans carefully, and robustly challenge underperformance. At sector level, recognising the need for more and better evidence of 'what works', we will continue to support the dissemination of effective practice, and encourage rigorous evaluation to ensure the focus is on impact, not just activity.

There is also work to do to dispel wider, persistent myths and misperceptions about access and participation: that universities and colleges cannot be expected to compensate for poor schooling and wider social inequalities; that contextual admissions are unfair; that disadvantaged students will always do less well in their degrees. Research shows that if students from disadvantaged backgrounds are helped to make the right choice of what and where to study, and given the support that they need during their time in higher education, they can end up performing just as well as, if not better than, their more privileged peers.[8] Poverty of income should not be an excuse for poverty of ambition. We must not condone poor outcomes for students from disadvantaged backgrounds.

We are still a long way from equality of opportunity in higher education, but we have a great opportunity to make a real difference that will deliver immeasurable dividends not just to students but also to universities and colleges, and beyond them to communities and society.

The experience of students in higher education

The OfS's regulatory powers and objectives are designed to ensure that students have a high-quality experience of higher education and are supported to succeed in, and achieve positive outcomes from, their time there.

Students tell us that the quality of their teaching is the most important issue for them in determining whether they receive value for money, and the TEF addresses precisely this issue. Gold, Silver and Bronze awards are issued to providers based not only on teaching quality but also excellence in the learning environment, and the educational and professional outcomes achieved by students.

Where providers are at risk of financial insolvency, we will intervene to ensure that the interests of students are protected and students are enabled, whenever possible, to transfer to other courses at other universities or colleges that are suitable for them.

We are also acutely aware of the growing concerns about the mental health of students. The OfS and its partners have

invested £14.5 million in a number of major projects dedicated to exploring new approaches and solutions, in collaboration with universities and colleges, the NHS and mental health charities.[9] Building on the outcomes of these projects, we will work with students, the NHS and providers to tackle this issue effectively. Over the next year, we intend to focus on the mental health of not just UK undergraduates, but postgraduates and international students.

We also plan to particularly prioritise work that will address harassment on the basis of race, religion, disability, gender or sexuality, which has no place in university campuses. We have already funded over 100 projects across over 80 universities and colleges to develop practical responses and resources to support students and bring about cultural and attitudinal change.[10] We will be going further than this over the next year by setting out our expectations of universities and colleges in preventing and dealing with incidents of harassment and sexual misconduct.

Value for money

Higher education must deliver value for money for students and taxpayers. The trebling of tuition fees from 2012 increased expectations in this area, with a particular focus on teaching quality. Our own research on student perceptions – the first commissioned by the OfS – found that value for money meant different things to different students, but overall only 38 per cent of respondents thought their tuition fees represented value for money.[11] A recent survey by the Higher Education Policy Institute echoes this finding.[12]

Value for money runs like a thread through all of the OfS's work. Our value for money strategy, published in October 2019, gives more detail of our approach.[13] The strategy prioritises action on the issues that evidence shows students care about. We will measure our performance by asking students and graduates about their views on value for money.[14]

One of our regulatory expectations is that providers make effective arrangements for transparency about value for money for students and, where grant funding is concerned, for taxpayers. We have found that students' perspectives on value for money may differ significantly from those held by universities and colleges, and that information about this is not always presented in a way that enables students to know how their fees are being spent.

We will be addressing these and other issues through our student information, advice and guidance strategy. Our focus extends beyond the provision of information for prospective students, to encompass support for their consumer rights throughout their time in higher education. We recognise the importance of clear, effective complaints systems, and we are working with the Office of the Independent Adjudicator to look at what more we can do in this area. We will also be seeking to ensure that student contracts, including their terms and conditions, are fair, transparent and accessible.

Working with students

The OfS regulates in the interests of students. We do not provide direct advice or support to individual students, nor are we in any way a representative body. But we are absolutely clear that the perspectives of students must inform our work. We need, and want, to be challenged by students. Understanding their experiences and drawing on their expertise helps us to be a more effective regulator.

My experience over the last year of meeting with students and students' unions, and listening to their views, has involved some of the most stimulating and thoughtful discussions that I have had since starting

with the OfS. Their views, along with those of our student panel, have informed my thinking and approach to higher education, and the work of the OfS. I have heard loudly and clearly how important the quality of teaching and effective assessment and feedback are to students. I have heard how concerned students are about mental health, equality and diversity, and global issues such as climate change. Our student panel members have in particular emphasised how important meaningful student engagement is for the OfS and for providers, and the need for the OfS to be able to demonstrate change in access and participation for disadvantaged students across the sector.

The OfS's student engagement strategy, to be published in spring 2020 following a period of extensive consultation, will set out our approach for the period to 2023. Its recommendations will seek to reflect the diversity of the student population, our commitment to listening and learning, and our desire to involve students in shaping the direction of the OfS.

Meantime, the activities described in this review are testament to the positive and tangible impact students are already having on our work – through participation in the TEF, in their responses to our surveys on value for money and other topics, and through the thoughtful contributions of our student panel.

We know that the NSS does not capture the views of students who leave before completing their courses, and we are looking at ways of expanding the survey to include their voices. We are also piloting a new survey for postgraduate students.

Graduate outcomes and employers' perspectives

Graduates continue to earn, on average, 35 per cent more than non-graduates, about £10,000 extra a year.[15] The vast majority earn more than those who do not go to university.[16] They are less likely to be unemployed than non-graduates.[17] They make a major contribution to the public and private sectors, to industries and businesses of crucial importance to the UK economy.

Information, advice and guidance to students about careers and graduate outcomes are now an integral part of higher education provision, and employability is widely integrated into curriculums. However, there are major disparities between levels of graduate employment across different regions. Graduates who are mobile are more likely to have successful employment outcomes, yet almost 50 per cent study and go on to their first employment in their home region, where opportunities may be more limited. And some regions struggle to retain the graduates they need to support their economies.

The OfS is working with employers, universities and colleges to address these geographical skills gaps, funding innovative programmes that address local employer and graduate needs, and knowledge exchange activities that benefit students and graduates. We have just co-funded with Research England a programme to identify and improve the benefits for students in knowledge exchange activities.

The evidence we already have demonstrates the link between work experience and improved outcomes, so we will be encouraging more universities and colleges to consider how work experience can be incorporated into courses for a wider group of students. We are also encouraging providers to consider how they can redevelop and redesign curriculums to embed the skills which enhance employability.

Working with higher education providers

Over the past 18 months we have been developing relationships and ways of working with the universities, colleges and other providers we regulate. We seek open, trusting relationships, but relationships that acknowledge that we are an independent regulator, acting first and foremost in the interests of students. This means we will on occasion need to comunicate robustly, and this may on occasion be uncomfortable. However, we understand that by engaging appropriately with providers, and listening to their perspectives, we will be a more effective regulator.

Our aim is to act in accordance with our values of ambition, openness, learning and diversity. We seek to explain our decisions clearly, and to be transparent. We value the wealth of experience and expertise university academics and practitioners bring to bear on issues such as student mental health, widening participation and graduate employability, as part of our work to support effective practice on these and other issues. We are also consulting on a range of regulatory issues to ensure that providers have the opportunity to respond to our proposed policies.

Our approach is informed by the principles of the Regulators' Code, and a clear sense of what we are here to do. It is risk-based and aims to minimise the burden on providers. We have set explicit parameters for engagement, which are rooted in our regulatory functions and duties. We remain committed to reducing regulatory burden, acknowledging that this will be difficult particularly in the early stages of the OfS's development. We have regard to the need to protect institutional autonomy, while acknowledging that there can be tension between autonomy and accountability; between self-regulation and responsiveness to the priorities of students and society.

The year ahead

In the coming year, the OfS will be building on the systems that are now in place, ensuring that students can rely on the quality threshold prescribed by our regulatory framework. We will want to move from setting up systems, to having demonstrable impact. Access and participation will be a priority, and we know we must continue working to minimise regulatory burden, and engage even more effectively with students and providers.

We will also continue to use our voice, and the tool of transparency, to promote what is good and innovative, and to challenge poor practice wherever appropriate.

Within this broad agenda, there are three areas where we will be paying particular attention: admissions and recruitment, information for students, and improving the quality of teaching and courses.

Fairer admissions and recruitment

We will be conducting a review of university admissions,[18] which will include consideration of the merits, or otherwise, of models of post-qualification applications. The government's supplementary guidance letter to the OfS chair in September 2019 asked us to continue our work in this area.[19]

The debate within the sector about admissions is longstanding. What has changed is the context in which it is taking place. English higher education now operates within a more competitive policy and regulatory environment in which the protection of students' interests takes centre stage. To the extent that the existing system is not serving their needs in a fair, transparent and inclusive way, it must change, and we will consult widely with students, schools, providers and others to understand their views and perspectives.

We will also consider ways of addressing increasing concerns about some student recruitment practices. Students can be offered enticements and inducements which are often not in their best interests, at a time when they may be especially vulnerable. In particular, we will continue closely to monitor the impact of the damaging growth of 'conditional unconditional' offers that require students to commit to a particular course, the subject of an OfS Insight brief in January 2019.[20]

Better student information and protection

Providers registered with the OfS must demonstrate that the information on their websites and marketing materials is accurate and accessible. At a time when questions are being asked, and concerns raised, about the value of a higher education degree, it is more important than ever that students are able to make informed choices about what and where to study based on clear, correct information. There can be no place for false and misleading advertising in how universities sell themselves to prospective students, or a lack of clarity about their rights. We cannot have a situation where students' expectations are raised unrealistically before they go to university, only to be dashed when they get there. Such marketing is clearly within the scope of consumer protection law, and we will act swiftly and decisively where we find evidence of breach.

We will play our part by developing our Discover Uni site (in collaboration with our UK funding partners)[21] during its beta phase, taking on board feedback from students, teachers and others; and we will be working to improve the information that providers put on their websites on issues such as hidden course fees, course content and bursaries. We will also work to ensure that all students can benefit from the protections of consumer rights legislation.

Improving teaching and courses

As our attention turns to regulating the providers we have registered, we now plan to use our regulatory tools to support improved quality of teaching and courses. We plan to consult on whether our requirements for quality are sufficiently demanding to ensure that all students receive a good education. We set numerical baselines for indicators such as continuation, completion and employment as part of our assessment of the outcomes delivered for students.[22] Our view is that a minimum level of performance should be delivered for all students, regardless of their background or what and where they study. We will consult on raising these baselines so that they are more demanding, and on using our regulatory powers to require providers to improve pockets of weak provision.

We have highlighted over the last year where we have had concerns about the financial stability of universities and colleges.[23] While we believe the sector is in sound financial health, there is considerable variation between providers. We will ensure that our risk-based approach to monitoring allows us to identify early signs of financial stress in individual providers. It is not in the interests of students or taxpayers for a provider to tip towards a disorderly market exit. We want to be confident that we can spot worrying financial performance and weaknesses in management and governance so that these can be addressed. Where this is not possible, we want to ensure that an exit is orderly and managed, with students supported to complete their studies.

Notes

1 Office for Students (OfS), 2019 National Student Survey (NSS) summary data, July 2019 (www.officeforstudents.org.uk/advice-and-guidance/student-information-and-data/national-student-survey-nss/get-the-nss-data/).

2 If a provider holds a TEF **Gold** award, this means that it delivers consistently outstanding teaching, learning and outcomes for its students and is of the highest quality found in the UK. A **Silver** award means that it delivers high-quality teaching, learning and outcomes, and consistently exceeds rigorous national quality requirements. A **Bronze** award means that it delivers teaching, learning and outcomes for its students that meet these requirements.

3 Based on both the questions 'I have received detailed comments on my work' and 'Feedback on my work has helped me clarify things I did not understand' (Higher Education Funding Council for England, 'Higher education survey reveals continued student satisfaction' (available at https://webarchive.nationalarchives.gov.uk/20100303172000/http://www.hefce.ac.uk/news/hefce/2007/nss.htm); OfS, 2016 NSS summary data (available at www.officeforstudents.org.uk/advice-and-guidance/student-information-and-data/national-student-survey-nss/get-the-nss-data/). Since 2017 these questions have been replaced in the NSS by 'I have received helpful comments on my work'.

4 Department for Education (DfE), 'Graduate labour market statistics 2018', 25 April 2019 (available at https://www.gov.uk/government/statistics/graduate-labour-market-statistics-2018), p7.

5 2014-15 figures. Universities UK, 'Higher education in numbers', (https://www.universitiesuk.ac.uk/facts-and-stats/Pages/higher-education-data.aspx).

6 In this review, for the sake of readability, we have used 'universities and colleges', or sometimes simply 'universities', to refer to what our regulatory framework and other more formal documents call 'higher education providers'.

7 OfS, 'Registration process and outcomes 2019-20: Key themes and analysis' (OfS 2019.30), November 2019 (available at www.officeforstudents.org.uk/publications/registration-key-themes-and-analysis/).

8 Boliver V, Gorard S, and Siddiqui N, 'Using contextualised admissions to widen access to higher education: A guide to the evidence base', 2019 (available at https://www.dur.ac.uk/dece/themes/participation/).

9 OfS, 'Innovation, partnership and data can help improve student mental health in new £14 million drive', July 2019 (www.officeforstudents.org.uk/news-blog-and-events/press-and-media/innovation-partnership-and-data-can-help-improve-student-mental-health-in-new-14m-drive/).

10 OfS, 'Catalyst for change: Protecting students from hate crime, sexual violence and online harassment in higher education' (OfS 2019.24), June 2019 (available at www.officeforstudents.org.uk/publications/catalyst-fund-projects-evaluation/).

11 Trendence UK, 'Value for money: The student perspective', March 2018 (available at www.officeforstudents.org.uk/news-blog-and-events/press-and-media/new-research-shines-spotlight-on-student-perceptions-of-value-for-money/).

12 Higher Education Policy Institute (HEPI), 'Student academic experience survey 2019', June 2019 (available at https://www.hepi.ac.uk/2019/06/13/second-consecutive-year-of-students-reporting-better-value-for-money/).

13 OfS, 'Office for Students' Value for money strategy' (OfS 2019.38), October 2019 (available at www.officeforstudents.org.uk/publications/value-for-money-strategy/).

14 OfS, 'Value for money performance measures' (www.officeforstudents.org.uk/about/measures-of-our-success/value-for-money-performance-measures/).

15 DfE, 'Graduate labour market statistics 2018', p1.

16 Institute of Fiscal Studies, 'The relative labour market returns to different degrees', June 2018 (available at https://www.ifs.org.uk/publications/13036), p24.

17 DfE, 'Graduate labour market statistics 2018', p1.

18 OfS, 'Contextual admissions: Promoting fairness and rethinking merit' (OfS Insight brief #3), May 2019 (available at www.officeforstudents.org.uk/publications/contextual-admissions-promoting-fairness-and-rethinking-merit/), p8.

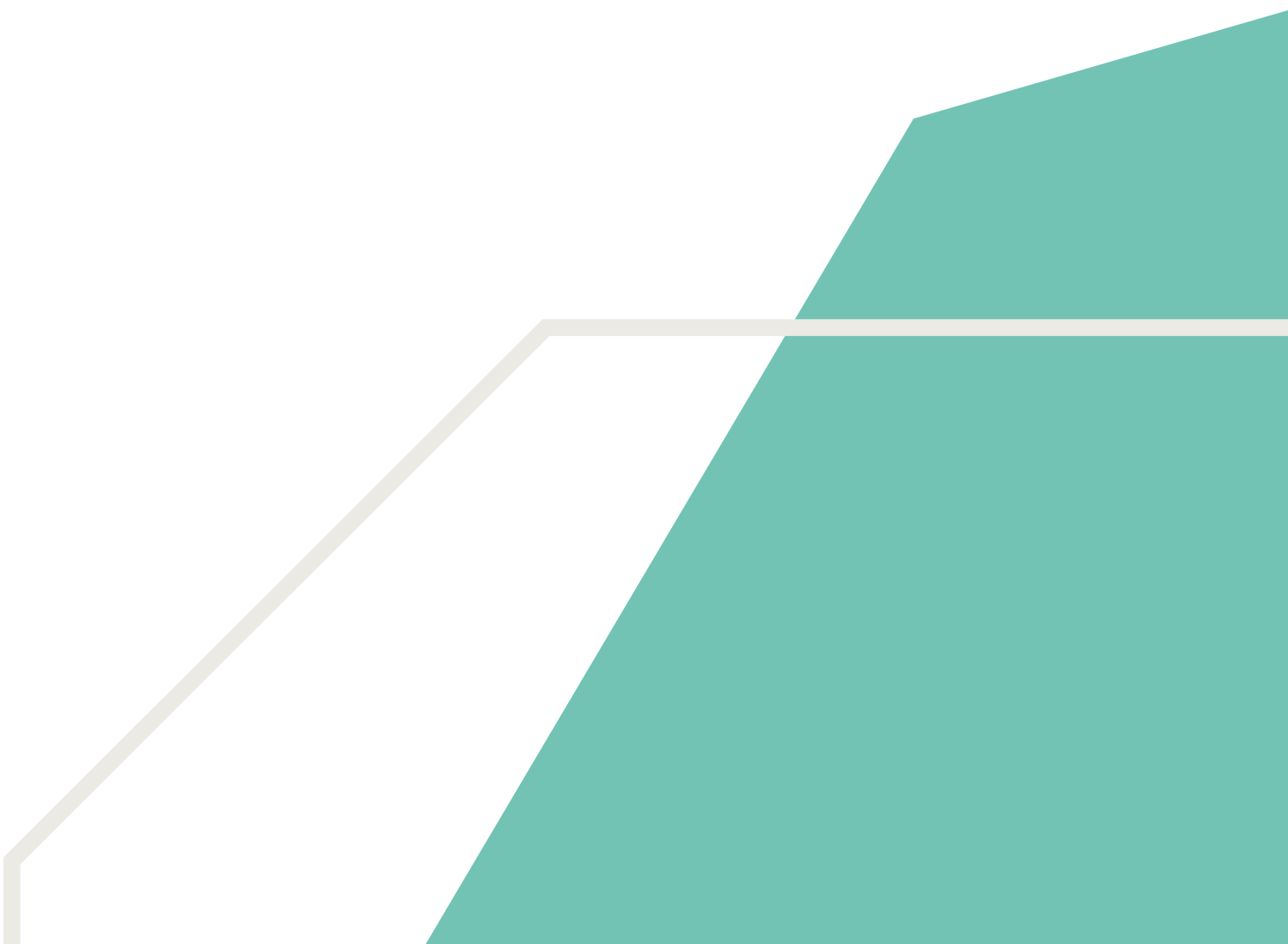
19 'Supplementary strategic guidance to the OfS', September 2019 (available at www.officeforstudents.org.uk/advice-and-guidance/regulation/guidance-from-government/).

20 OfS, 'Unconditional offers: Serving the interests of students?' (OfS Insight brief #1), January 2019 (available at www.officeforstudents.org.uk/publications/unconditional-offers-serving-the-interests-of-students/).

21 Discover Uni is funded by the Department for Employment and Learning Northern Ireland, the Higher Education Funding Council for Wales and the Scottish Funding Council, in partnership with the OfS.

22 OfS 2019.30, 'Condition B3: Baselines for student outcomes indicators' (available at www.officeforstudents.org.uk/publications/registration-key-themes-and-analysis/).

23 OfS, 'Financial sustainability of higher education providers in England' (OfS 2019.14), April 2019 (available at www.officeforstudents.org.uk/publications/financial-sustainability-of-higher-education-providers-in-england/).



2. Regulating in the interests of students

The OfS regulates higher education in England in the interest of students. As part of that regulatory role, universities, colleges and other higher education providers with students in receipt of student loans or who require visas to study in the UK must register with us. This chapter considers recent changes in the regulatory landscape leading to the establishment of the OfS, the principles and objectives underpinning the OfS's regulatory approach, and issues emerging from the registration process.

The changed regulatory landscape

Over the last 30 years, English higher education has seen a dramatic increase in the numbers of both students and providers. In 1990, approximately 20 per cent of English people went into higher education by the age of 30;[24] current projections put this figure at slightly more than 50 per cent.[25] The number of non-EU international students entering the UK increased from 42,000 in 1992 to a high of 246,000 in 2011, with 218,000 in 2019.[26] As of October 2019, there are 387 higher education providers on the OfS's Register.[27]

Since 1998, university students in England have had to pay tuition fees. Since then, these fees have increased: for most undergraduates, course fees are now subject to a maximum of £9,250. Students can apply for government tuition fee loans (and for maintenance loans, which are dependent on parental household income), which they begin to pay back once their income reaches a certain threshold. This means that most students contribute towards the cost of their course through income-contingent student loans. Universities and colleges consequently receive a much smaller proportion of their teaching income directly from the government.

Given this shift in funding, an increasingly diverse range of providers, and growing expectations from students and the public, a new approach to regulation was required. Within this changed environment, the OfS uses a range of regulatory tools – including registration requirements, ongoing monitoring of providers, and the publication of data and information – to ensure quality and drive improvement.

The OfS's approach to regulation

The OfS's approach to regulation puts students at its heart. Our mission is to ensure that every student, whatever their background, has a fulfilling experience of higher education that enriches their lives and careers. This means making sure that prospective students have the information they need to find a course that is right for them, and can be confident that the provider they choose offers good-quality courses, is financially viable, and well run.

Our regulatory framework, published in February 2018, sets out the principles that underpin our approach, and the ways in which we seek to protect the student interest.[28] It lays out the expectations we have for providers, and explains how we will encourage competition and continuous improvement. It sets out a number of conditions – relating to access and participation, quality and standards, student protection, financial sustainability and governance – that providers wishing to register with the OfS will need to satisfy. This means that for the first time, higher education providers of all types are being judged against the same regulatory requirements.

Our approach is principles-based. The higher education sector is complex: imposing a narrow rules-based approach would risk creating a compliance culture that would stifle diversity and discourage innovation. The framework does not, therefore, set rigid numerical performance targets, or list detailed requirements. Instead, it describes the approach the OfS will take as it makes individual judgements on the basis of data and contextual evidence.

The OfS is committed to keeping the regulatory burden to a minimum, consistent with our role and our objectives. We apply a risk-based approach to our regulatory responsibilities. This means that we focus our attention on those providers we consider to be at increased risk of breaching one or more of our regulatory conditions. In these circumstances, we may place the provider under a greater level of scrutiny. Providers that continue to comply with our conditions should see less regulation and reduced burden, not more.

The regulatory framework sets out two levels of regulation. Provider-level regulation describes the relationship between the OfS and individual universities and colleges, the purpose of which is to ensure that all registered providers meet baseline requirements across a number of conditions, including student outcomes, management and governance, financial viability and sustainability and student protection.

OfS regulatory framework: the four primary objectives

All students, from all backgrounds, and with the ability and desire to undertake higher education:

1. Are supported to access, succeed in, and progress from, higher education.
2. Receive a high-quality academic experience, and their interests are protected while they study or in the event of provider, campus or course closure.
3. Are able to progress into employment or further study, and their qualifications hold their value over time.
4. Receive value for money.

Above that baseline, the framework outlines how our interventions at sector level will ensure that the higher education sector is able to diversify, innovate and flourish through activities that potentially impact on all universities and colleges. This includes championing issues, sharing evidence and examples of effective and innovative practice, promoting diversity, publishing information that enables students to make the right choices for them, and the strategic use of funding to drive improvements.

Regulating for equality of opportunity

The framework is also underpinned by a commitment to equality of opportunity. Some groups of students, including those from low-income homes, are still far less likely to go to university or college than students from more advantaged backgrounds. If they do go, they are far more likely to drop out before completing their course, and less likely to get a good

job when they leave higher education. The primary objectives that lie at the heart of our regulatory framework are designed to address these issues and needs.

It is sometimes argued that there is a tension between these objectives: for example, that if providers recruit students from disadvantaged backgrounds, then it is inevitable that higher numbers will drop out. However, access for disadvantaged students, and good outcomes, are not a zero-sum game. Research shows that if students from disadvantaged backgrounds make the right choice about what and where to study – and are given the support they need during their studies – they can end up performing just as well as, if not better than, their more privileged peers.[29]

Achieving these objectives is at the heart of why we regulate. Students from disadvantaged backgrounds should not be inappropriately recruited onto poor-quality courses, and they should get the support that they need. Low continuation rates or poor graduate outcomes are not acceptable just because a student comes from a disadvantaged background. This is a waste of money for student and taxpayer alike. That is why our registration process is designed to ensure that each provider meets all the requirements set out in our regulatory framework.

The OfS Register

To be registered with the OfS a provider must, among other things, deliver successful outcomes for all its students, and demonstrate financial sustainability and good governance. To charge higher fees, it must demonstrate that it is working towards eliminating access and participation gaps for disadvantaged groups of students.

Once registered, providers and their students gain a number of benefits. Students can apply for government-backed tuition fee and maintenance loans, and for Disabled Students' Allowances. A provider can apply to the research councils for funding, to the Home Office for a licence to recruit international students, and to the OfS for the right to award degrees and call itself a university.

The OfS Register is a single, authoritative list which assures students and taxpayers that a particular university or college meets baseline requirements across a series of measures which, taken together, mean that it offers high-quality teaching, learning and support for its students. Providers are then monitored on an ongoing basis according to the level of risk they pose to students.

The regulatory process

To register with the OfS, providers must satisfy 12 **initial conditions**. These are framed in terms of outcomes and seek to regulate the things that matter to students. They include commitment to closing access and participation gaps, financial viability, quality, good governance and consumer protection.

Once registered, a provider must continue to satisfy a set of **general ongoing conditions**. We assess the likelihood that it will breach one or more of these conditions. Where we identify an increased risk, we may decide to impose **specific ongoing conditions** – requirements it must comply with as an aspect of its registration. We may also decide to monitor it more closely.

Where we find a breach of a specific or general ongoing condition we will consider using one or more of a range of sanctions, potentially culminating in deregistration.

The registration process 2018-19

Over the past 18 months, we have assessed over 500 applications and registered a total of 387 providers. Around 90 applications were still in progress by October 2019, many from providers that applied after 1 May 2019. Also by October 2019, we had refused registration for eight providers and told a further 13 that we are minded to refuse registration.[30]

The registration process was challenging, for the OfS and for providers. The timetable set for us by the government was tight, and the timing of the transition from the old to the new legislative framework set the parameters for the process. The OfS was legally established in January 2018 to allow for the publication of the regulatory framework and guidance on how to apply for registration. But we did not commence operations, and were therefore unable to begin the registration process, until April of that year.

Our internal registration timetable was planned to align with student recruitment cycles, so as to cause minimum disruption for providers and students. In setting it, however, we had assumed that applications would be of a good standard and ready to assess.

A number of providers, of all types, made strong applications with credible evidence that all of the initial conditions of registration were satisfied. The strongest applications had engaged with the new regulatory requirements and identified where further action might be necessary, with plans to address this.

However, this was not the case for the majority. Well over two-thirds were incomplete when they were submitted. In many cases, too, the quality of the information they contained was poor.

Status of applications, assessments and registrations as at 23 October 2019

- Over 500 applications were received from higher education providers to join the OfS register.
- A total of 387 providers were registered.
- Eight providers were refused registration.
- The majority of applications (446) and registrations (330) were for the 'Approved (fee cap)' category, which allows providers to charge tuition fees up to the higher limit.
- The majority of providers on the Register (373) had been regulated under the previous higher education regulatory systems. 14 providers not regulated under the previous systems have been registered.

We are, rightly, not permitted to register a provider until we are able to confirm that each initial condition is satisfied. So, these incomplete and poor quality applications necessitated follow-up enquiries and requests for information. This inevitably extended the process.

Regulatory interventions

We have imposed some form of regulatory intervention for the vast majority of providers that we have registered. Interventions are based on our assessment of the risk of a future breach of a condition. They vary in scale and significance. They may highlight concerns, set out actions for a provider to take, or signal our intention to undertake more frequent or intensive monitoring. In a number of cases, we have imposed one or more 'specific conditions', the most significant form of intervention, to mitigate increased risk of a future breach of conditions.

The vast majority of registered providers have had some form of regulatory intervention imposed. Some have had more than one intervention applied to them. Only 12 providers had no interventions as part of the registration decision. The total number of interventions applied as of 23 October 2019 was 1,109.[31] Figure 1 provides a breakdown.

Most interventions (615) took the form of a formal communication. There were 464 requirements for enhanced monitoring, and 30 specific ongoing conditions were imposed.[32]

As Table 1 on page 23 shows, interventions have been imposed across all of the conditions of registration. The majority relate to the first condition, on access and participation plans. This is in large part a reflection of our level of ambition and challenge in relation to access and participation.

Fair access and participation is an important OfS objective, and there is an expectation of continuous improvement in reducing the gaps between the most and least advantaged students in access, student success and progression into further study and employment. Many providers not considered to be at increased risk for other conditions of registration were judged to be at increased risk for this condition. The greatest number of interventions (229) have been made to improve progress on access and participation by those universities and colleges that wish to charge higher tuition fees.

Other areas of concern

Many applications were weak in the following areas.

Sector-level data suggests there is strong performance in **student outcomes**, and this was reflected in the data of a large number of individual providers. However, we imposed a significant number of interventions because the outcomes delivered by some providers for their students were very weak.

Regulatory interventions

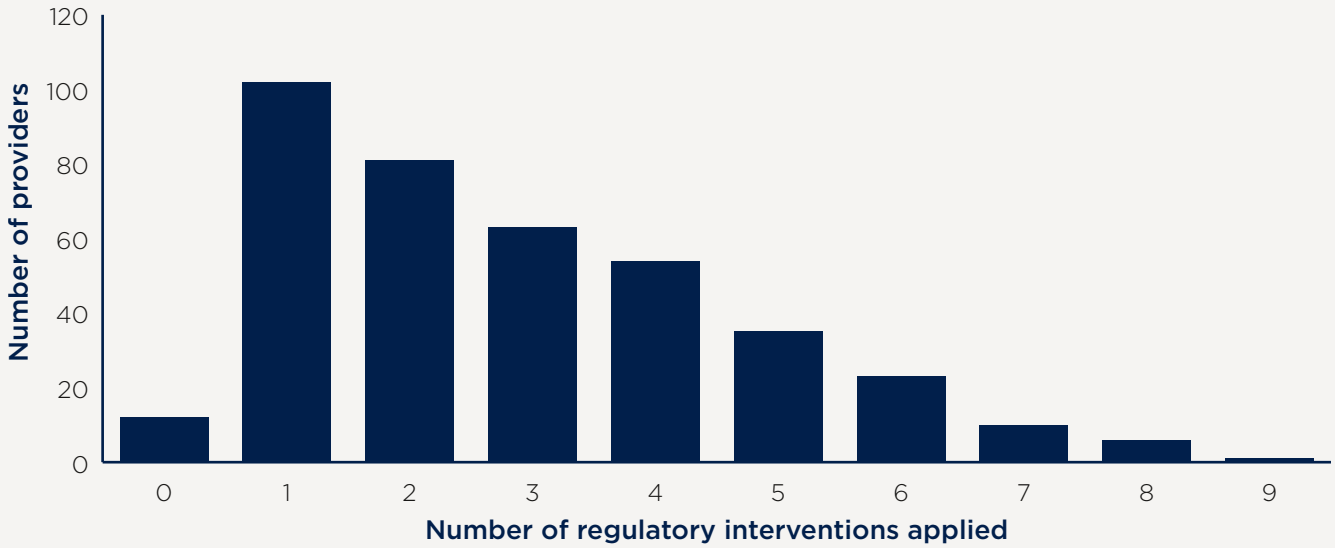
The OfS has powers to impose a range of interventions, including:

- **formal communication**, where we inform a provider of issues that might cause us concern if left unchecked
- **enhanced monitoring**, where we actively monitor a provider's progress against action plans or targets, for example financial plans or student recruitment targets
- **specific conditions of registration**, where we require a provider to make improvement in particular areas, for example student outcomes.

Student protection plans, which set out the actions a provider will take to ensure that students can continue their studies in the event of course, campus, or provider closure, were variable in their quality. Some were excellent, and demonstrated a real engagement with the requirements, resulting in plans that had made a comprehensive assessment of risks and were clear on the protection that was available to students.

Many more, however, were very poor, and could not be approved on first or even subsequent submission. It would not have been in the interests of students to delay registration in so many cases, so we have approved a number of plans that are significantly below the standard we would expect. The providers concerned are required to resubmit improved plans following the publication of revised guidance by the OfS.

Figure 1: Number of regulatory interventions to 23 October 2019



Very few providers demonstrated an understanding of **value for money** from their students' perspective, and few appeared to have considered how they could present information about value for money in a way that would be accessible to their students.

We found significant weaknesses in providers' responses to the **'fit and proper person'** public interest governance principle. Most relied on declarations from governing body members. It was unclear whether they had conducted checks to determine whether individuals were fit and proper, and there was limited recognition of the indicators and definitions set out in the regulatory framework. Our own investigations uncovered large numbers of discrepancies between the directorships and trusteeships held by individuals declared on providers' application forms and those listed on Companies House or the Charity Commission website.

There was a lack of convincing evidence about the adequacy and effectiveness of providers' **management and governance arrangements**. A large number of providers were unable to evidence regular external input into reviews of their arrangements. There was also a reliance on what appeared to be paper-based compliance exercises against a chosen code. This did not allow the OfS to make judgements about the effectiveness of arrangements and in a number of cases we required a review of management and governance arrangements before reaching a registration decision.

Significant numbers of providers had based their **financial viability and sustainability** on optimistic forecasts of growth in student numbers without convincing evidence of how this growth would be achieved.[33]

The financial state of English higher education

Overall, higher education is in sound financial health, though with considerable variation between providers.[34] However, in a period of great economic and political uncertainty, and with the unique nature of the higher education market constraining the responses of universities and colleges, it remains to be seen how well the sector will maintain this.

Universities' and colleges' financial commitments to the sector's various pension schemes are having a significant impact on their financial sustainability. The 2017 triennial valuation of the Universities Superannuation Scheme (USS) has

Table 1: Regulatory interventions across conditions of registration

Condition	Formal communication	Enhanced monitoring	Specific condition
A1: Access and participation plan	144	77	8
B1: Quality	2	3	0
B2: Quality	30	42	0
B3: Quality (student outcomes)	50	77	20
B4: Standards	1	4	0
B5: Standards	0	2	0
C1: Guidance on consumer protection law	15	6	0
C3: Student protection plan	67	27	0
D: Financial viability and sustainability	74	71	0
E1: Public interest governance	176	70	1
E2: Management and governance	40	72	1
F3: Provision of information	16	13	0
Total	**615**	**464**	**30***

Note: The number of specific conditions set out in Table 1 is higher than the number currently published on the Register. This reflects the fact that this regulatory intervention was imposed at the point of registration. The requirements of some specific conditions have subsequently been satisfied, and the specific conditions therefore removed.

resulted in significantly increased annual cash contributions from both employers and scheme members, which we estimate will add over £500 million a year to the annual pension bill for some universities and colleges. There is also a significant accounting adjustment due to the increased deficit in the scheme, which we will take into account when assessing the underlying financial performance of universities.

Some universities and colleges have also been impacted by requirements for increased contributions to the Teachers' Pension Scheme, totalling an estimated £100 million a year or more. Local Government Pension Schemes are also due for a revaluation, which, if it follows the trend of other scheme valuations, could lead to further costs.

To compensate for the reduction in capital funding from the government, and given relatively cheap interest rates and long-term loans spread over 30 to 40 years, universities and colleges have also increased their aggregate borrowing substantially over the last decade.[35] Much of this money

has been spent on building and improving university estates and infrastructure, such as student accommodation, teaching facilities and libraries. Private halls have been seen as a major investment opportunity, often with institutional support. It remains important that, with rents on the rise in many cities where students live, universities and colleges continue to ensure the availability of high-quality, good-value and affordable accommodation for their students.

Conclusion

Much of the work the OfS has done in regulation over the last year has been assessing registration applications from providers. We now know more about individual providers, and the sector as a whole, than ever before. This gives us a solid foundation for the implementation of a risk-based system of regulation in which regulatory activity is focused on those providers and those issues that represent the greatest risk to students. Through regular monitoring and intervention where necessary, our regulatory work with providers should ensure that providers continue to meet expectations.

In light of the lessons we have learnt, our focus in the coming year will be on embedding our approach to the ongoing monitoring of registered providers. To this end, we have published additional guidance setting out our processes and expectations,[36] and are implementing an online system for the collection of information and data.

Notes

24 'The Dearing report: Higher education in the learning society', 1997 (available at www.educationengland.org.uk/documents/dearing1997/dearing1997.html), p20.

25 DfE, 'Participation rates in higher education: 2006 to 2018', 2017, p1 (available at https://www.gov.uk/government/statistics/participation-rates-in-higher-education-2006-to-2018). Rather than confirmed university entry, these figures express the likelihood that a young person will participate in higher education by the age of 30.

26 ONS, 'How has the student population changed?', 2016; ONS, 'Provisional long-term international migration estimates' (https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/internationalmigration/datasets/migrationstatisticsquarterlyreportprovisionallongterminternationalmigrationltimestimates). Note that these figures are not directly comparable as the method used to derive them has changed since 1992, to a method still designated as 'experimental'. Additionally, the number for 2019 is an estimate based on incomplete quarterly figures and may change in future.

27 The OfS Register, 2019 (available at www.officeforstudents.org.uk/advice-and-guidance/the-register/the-ofs-register/).

28 OfS 2018.01 (available at www.officeforstudents.org.uk/publications/securing-student-success-regulatory-framework-for-higher-education-in-england/.)

29 Boliver et al, 'Using contextualised admissions to widen access to higher education: A guide to the evidence base'.

30 Information on applications that have been refused can be found at OfS, 'Refused registration decisions' (www.officeforstudents.org.uk/advice-and-guidance/the-register/refused-registration-decisions/). Following a decision to refuse registration, the OfS liaises with the provider regarding publication of that decision. There can therefore be a delay between the notification of the decision and publication. In some circumstances the OfS might agree that the decision should not be published.

31 OfS 2019.30, p3.

32 OfS 2019.30, p20.

33 In April 2019 the OfS wrote to providers about this issue: see OfS 2019.14.

34 OfS 2019.14.

35 OfS 2019.14, pp13-14.

36 OfS, 'Regulatory advice 15: Monitoring and intervention' (OfS 2019.29), October 2019 (available at www.officeforstudents.org.uk/publications/regulatory-advice-15-monitoring-and-intervention/).

3. A new approach to fair access, participation and success

An important part of our regulatory role is ensuring fair access to higher education for those who are currently underrepresented, including those from disadvantaged backgrounds. We are not only interested in access: just as important is ensuring successful completion of courses and accessing successful careers after graduation. This chapter looks at our approach to these issues and how we regulate to improve opportunities for all in our universities, colleges and other higher education providers.

Access and participation before the OfS

Although there has been a large increase in the proportion of people going to college or university over the last two decades, this expansion has not benefited all equally. The number of students from the most disadvantaged groups entering professional jobs is lower than it should be, given their qualifications. Graduates should not have to rely on family networks or unpaid internships to get ahead: there is more that universities can do to support valuable work experience for undergraduates to address this disparity.

There are still higher education 'cold spots', including coastal regions in the north of England and rural areas in the South West. Some groups have seen only marginal gains from the expansion, such as white men from deprived backgrounds, while other groups, like mature students, have declined. Certain marginalised groups, among them care leavers and the Gypsy, Roma and Traveller community, continue to have participation percentage rates in the single figures.[38]

Indeed, many of the widening participation issues for higher education highlighted in the 1997 Dearing report resurfaced in the 2019 Augar review. Dearing reported that men from the least advantaged socioeconomic groups were among the least likely to participate; noted a significant gap in the participation between those who come from the most and the least educationally advantaged areas; and observed that black men remained underrepresented in higher education.[39] Augar finds that boys are less likely to apply to university than girls; that the most advantaged students are much more likely to go into higher education than the least; and that black students are less likely to apply than other minority ethnic groups.[40]

While there has been improvement in the proportion of people from underrepresented groups going into higher education, there remain stark access gaps. How exactly to eradicate these gaps has long been a matter of debate. In the 1980s, much of the focus was directed at alternative qualifications (such as BTECs and Access to Higher Education) and diversification among providers.[41] By 1997, the Dearing report encouraged universities to run more widening participation projects and outreach activity.[42] More recent white

papers and reviews have focused on shifting expectations (resulting in the establishing of Aimhigher in 2004, and more recently the National Collaborative Outreach Programme) and encouraging the wider use of contextual admissions to increase the number of disadvantaged students.[43] Universities and colleges committed to spend £176 million of their higher education fee income on outreach activities in 2019-20, but significant access gaps remain.[44]

The access gaps we are concerned with differ in a number of key ways. They have different causes, some being more obviously due to the cost of higher education while others relate to wider social inequalities. Many are linked to school exam results and the persistent attainment gap between disadvantaged and advantaged children. It is worth unpicking some of their unique dynamics before assessing how they might be eliminated.

This chapter outlines the most significant access gaps, and then moves on to the OfS's role in helping universities and colleges to close them. It then examines the initiatives undertaken in the sector in the last year to eradicate these gaps. Finally, it evaluates the success of this ambition and outlines what we propose to do in the future.

Stagnation and change in access

Educational attainment and barriers to success

University is just one link in an educational chain that stretches back to nursery school and forward to further training and employment. The impact higher education can have is in many ways constrained by the education children receive before it, just as university and college education is a key determinant of which jobs are open to graduates.

A familiar complaint from some university leaders has been that by the time children finish compulsory education, the differences between them are already entrenched, and that universities cannot and should not be expected to compensate for this. Thankfully, such attitudes are changing, but we still should not underestimate the impact of a child's earlier educational experience.

Studies have shown that, for example, by the age of 11, disadvantaged pupils are over nine months behind their more advantaged counterparts.[45] On average, disadvantaged students are two years behind their more advantaged counterparts by the end of secondary school. Only 4.9 per cent of children who are eligible for free school meals receive A-level grades of AAA or better, compared with 11 per cent of those who are not eligible. Only 4.7 per cent of black children get AAA or better, as opposed to 10.8 per cent for white children.[46]

We know that many of these students are less likely to enter higher education. Students who received free school meals while at secondary school are half as likely to enter higher education as those who did not.[47] Black students are less likely to gain entry to high-tariff universities.[48] Young people who live in an area with the lowest rates of participation in higher education are nearly six times less likely to go to a high-tariff university than those from areas with the highest.[49] If they do go to university or college, they often pay a 'poverty premium': they are more likely to take on debt and to have to work to pay for their living costs while in education.[50]

Many of the higher education reforms of the 1980s, 1990s and 2000s were centred around ensuring that relatively poor attainment at secondary school did not necessarily preclude access to higher education. This focus on ensuring there could be second chances saw the introduction of Access to Higher Education qualifications and foundation years. Today,

about 40 per cent of people from the UK attend university and college before the age of 20.[51]

But, for instance, while only 6 per cent of care leavers enrol in higher education by the age of 21, by the age of 23 this figure has risen to 11.8 per cent.[52] This second chance has been one of the great strengths of English higher education.

However, in recent years, many of these second chances have been eroded. Since 2012, when prisoners became ineligible for student loans for higher education, the number of them who take courses has fallen by 42 per cent.[53] Changes in the eligibility guidelines for personal independence payments mean that many disabled students are struggling to continue to access higher education.[54] Mature student numbers have halved since fees were introduced in 2012.[55]

But while poverty may be a barrier to high attainment and expectations, it is no guide to potential. Therefore, it is imperative that universities and colleges continue to find innovative ways of targeting and encouraging such disadvantaged students, whether by developing deep partnerships with local schools or making more contextual offers. This is not just about uplifting the deserving and gifted, but rather giving more students from marginalised and deprived backgrounds the opportunity to study and succeed. This is about educational opportunities for all.

Today's student

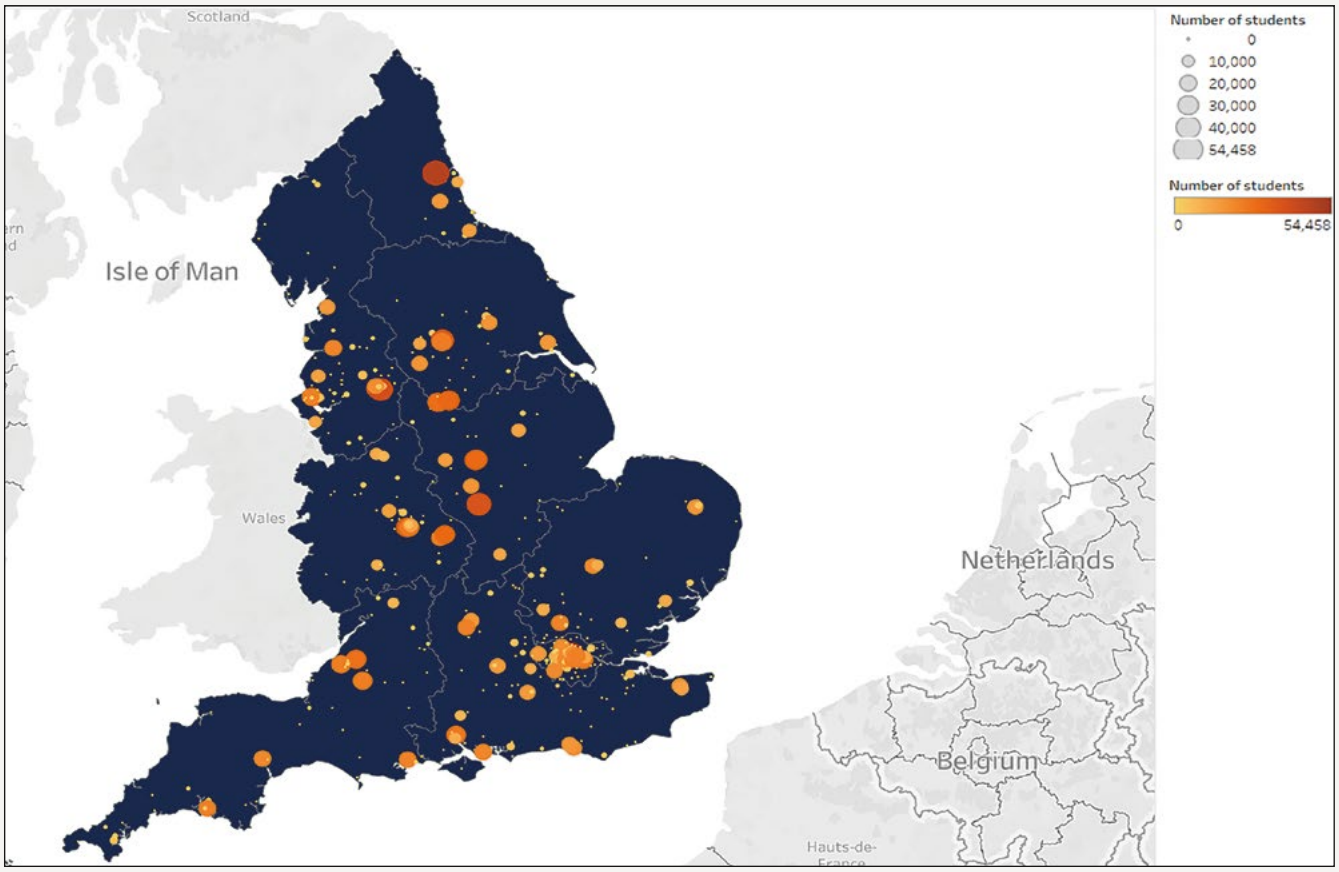
The archetypal image of a student who moves away from home to study at a university after sitting their A-levels is no longer the norm. Today's student, compared with their counterpart of 20 years ago, is more likely to go to a local college or university; more likely to report a mental health issue, and more likely to work during their degree.[56] After graduation, they are less likely to find graduate jobs or earn as much as their predecessors.[57] These are all challenges, of opportunity and quality, for the sector.

Indeed, the education reforms of recent decades have already opened up higher education to a wider cross-section of society. Over that time, more women, more students from minority ethnic groups and more disabled students have attended and succeeded at university.[58] Government loans for postgraduate funding mean that more people can afford further study.[59] The qualifications allowing entry to higher education have likewise proliferated. Longstanding qualifications like Access to Higher Education and the BTEC have become more common as routes to entry, alongside the increasing provision of foundation years and degree apprenticeships.[60]

While most students still study at universities (around 90 per cent of the total), some 120,000 are studying higher education in further education colleges.[61] Specialist institutions, such as theological colleges and conservatoires, often teach small numbers of students. Over 1,000 prisoners are studying higher education courses.[62] Over 10,000 learners started degree apprenticeships in 2017.[63] New providers have opened to address specific skills shortages in fields such as engineering.[64] Cold spots persist, however, in the geographical distribution of higher education, with coastal areas and the far north of England being particularly poorly served (see Figure 2).

Despite the huge increase in the proportion of young people entering higher education, there remain persistent and significant differences in the proportions of students from particular backgrounds and geographical locations. When we say we represent 'all students', this is the diversity and complexity we must take into account.

Figure 2: Maps showing the distribution of higher education places in England, 2017-18



Mature students

As shown in Figure 3, one of the most dramatic changes since the introduction of fees at the £9,000 level has been the rapid decline in the numbers of mature students attending university. Since 2012, the number entering higher education over the age of 25 has halved. With mature students making up a significant proportion of part-time students, these numbers have also fallen.[65]

Because mature students are largely concentrated in a small number of subjects, funding changes can have a marked impact on applicant numbers, and even give rise to employment shortages. Nursing, where mature students made up over 40 per cent of the applicants between 2010 and 2016, saw mature applicants fall by 28 per cent after the bursaries available before 2017 were discontinued.[66]

This suggests that, for mature students, one of the major considerations in whether they choose to access higher education relates to the extent of the funding on offer and the magnitude of their debt after graduation.

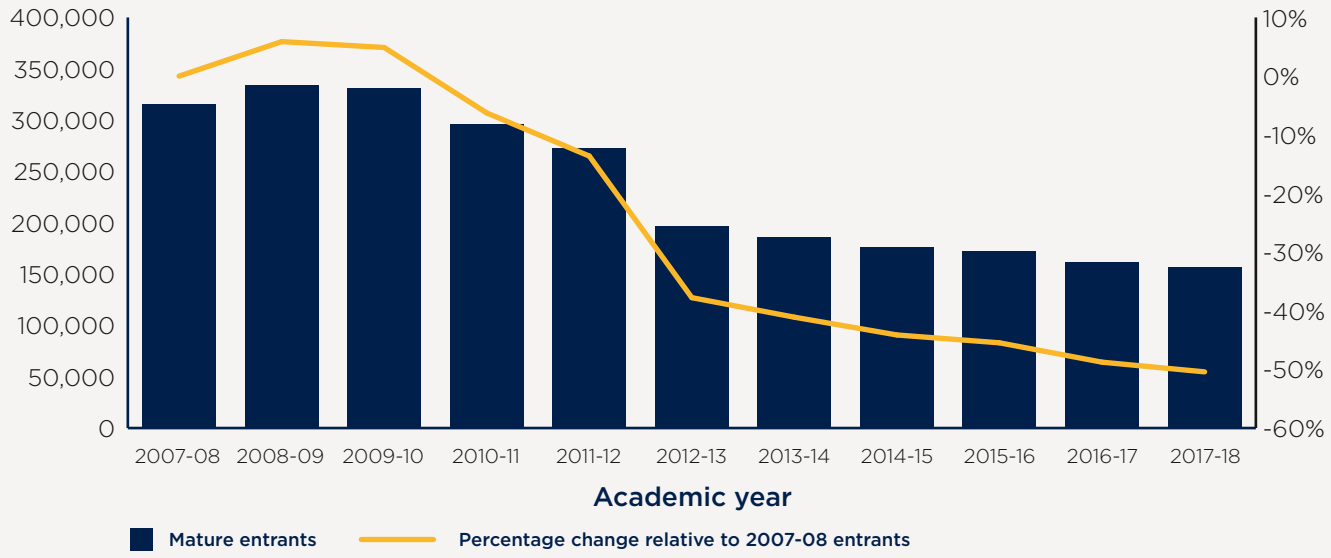
Disabled students

When figures alone are considered, the numbers of disabled students attending university appear to be a success story. In 2010, 8 per cent of undergraduate students in England (176,000) reported a disability, compared with 13 per cent (276,000) in 2017.[67] However, while some of this change represents disabled people being more likely to attend university or college, some of it reflects the fact that students are more likely to declare their disabilities when they get there.

In any case, challenges remain. A 2019 survey of 1,773 disabled students showed that only 40 per cent were aware of Disabled Student Allowances before starting their course.[68] Disabled students now have to pay the first £200 towards any assistive technology they may need, which may be financially challenging for some.[69]

The kinds of disability students are reporting have also changed in recent years. In 2010, cognitive or learning difficulties including

Figure 3: Number of mature undergraduate entrants to English higher education institutions



Population: UK-domiciled entrants to undergraduate provision at English higher education institutions who are 21 or over.

Source data: Higher Education Statistics Agency (HESA) student records 2007-08 to 2017-18 data (excluding University of Buckingham).

dyslexia were the most common reported group (48 per cent of the total).[70] That remained true in 2017, with these difficulties making up 38 per cent of the total. However, mental health is one of the fastest growing reported disabilities, perhaps due to increased social acceptance of its disclosure. It constitutes 24.6 per cent of the total, compared with 8 per cent in 2010.[71]

The increase in disabled student numbers has seen more universities and colleges commit to embedding a social model in their teaching.[72] For example, a number of them now record all lectures, have licensed accessibility software for all computers, or offer a choice of assessment options. The OfS currently commits £40 million annually to help providers to become more inclusive of disabled students.

Ethnicity and access

Since the 1990s, most minority ethnic groups have accessed university at a higher proportion than the general population of 18- to 30-year-olds, thanks in part to the success of educational interventions such as the London Challenge in areas with high proportions of such students. The exceptions in the 1990s were Bangladeshi women, whose access has since improved, and black men.[73] Since 2007, the ethnic group with the lowest access to higher education, proportionally speaking, has been white people. More specifically, this access gap is most evident for white men from economically deprived and educationally disadvantaged areas, closely followed by women from the same areas.[74]

Some notable disparities, however, exist at subject and provider level. In 2017, only 80 out of 1,670 students of veterinary medicine (5.0 per cent) were from minority ethnic groups. Similarly, of the 6,810 students in agriculture or a related subject, only 340 (4.9 per cent of those with known ethnicity) were from these backgrounds.[75]

At a provider level, there is a pronounced gap between black students and those of other ethnicities at high-tariff universities. In 2018, only 6.8 per cent of black 18-year-olds entered a high-tariff provider compared with 8.9 per cent of white 18-year-olds.[76] Thus, while black teenagers are increasingly entering higher education, their participation is patchy and mainly concentrated in low and medium-tariff providers.

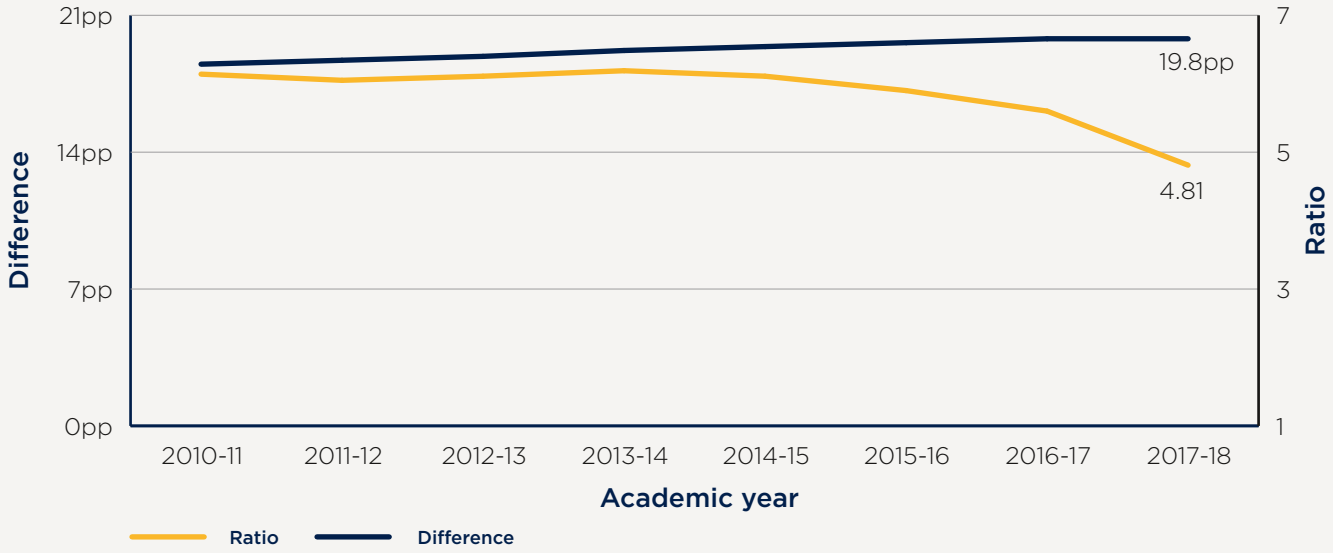
Socioeconomic background

While there has been significant improvement over the last decade in the number of people from deprived backgrounds going to university and college, the gap between the proportions of students from poorer and wealthier backgrounds remains substantial (see Figure 4). This disparity is worse among young men than young women.[77]

Indeed, much of the closing of access gaps in the 1990s came as a result of minority ethnic groups' improved results at school and the increasing prosperity of second-generation immigrants. Family background, type of schooling, relative wealth and cultural capital remain some of the greatest predictors of whether or not a child will progress onto university.[78] This fact is illustrated by the experience of those who have lived in care, only 6 per cent of whom progress into higher education by the age of 21.[79]

In the face of such entrenched underrepresentation, despite concerted investment to improve access and despite successive governments' commitment to social justice and mobility, radical changes are needed. If we are to succeed in establishing truly equal access to higher education, we need progress on narrowing the gap in schools, and for universities to take account of background and potential in their admissions, while also introducing entry routes other than those leading straight from school.

Figure 4: Gap in participation at higher-tariff providers between the most and least represented groups



Note: 'pp' = 'percentage point.

Population: 18- to 30-year-old home students domiciled in England who have participated in higher education at higher-tariff providers in England.

Source data: Individual student data HESA, Individualised Learner Record (ILR), Participation of Local Areas (POLAR4) classification of postcodes.

The innovative regulation of the OfS

In response to these persistent gaps, the OfS has radically reformed the regulation system. We require every university and college that wants to charge fees up to the higher limit to submit a plan that sets out how it will improve equality of opportunity for underrepresented groups to access, succeed in and progress from higher education. These plans must include:

- the provider's ambition for change
- what it intends to do to achieve that change
- the targets it has set
- the investment it will make to deliver the plan
- how it will evaluate whether its work is succeeding.

The OfS monitors access and participation plans to make sure that the providers honour the commitments they make to students, and we are empowered to take action if not. This scrutiny is underpinned by reforms to individual provider regulation, through the access and participation plans; by sector-level regulation, through activities to support and promote effective practice; and by financial investment, through dedicated OfS access and participation funding.

These reforms differ from the access agreements administered by our predecessor organisation, the Office for Fair Access, in a number of key ways. We require more systematic analysis of characteristics among a provider's student body, including age and disability, and more honest and rigorous self-assessment, backed up by national data. To support providers we have published the first comprehensive national dataset on access and participation.[80]

We do not specify the level of investment in disadvantaged students that a provider must make before it can charge fees at the maximum level, as was once the case. Rather than standardising investment, we

want universities and colleges to tailor it to align with their plans. We are interested in effective, efficient, evidence-based interventions with proven outcomes. We have more powers to draw on if we believe a university or college is failing in its access and participation measures: not only can we lower the maximum amount it can charge for fees, we can also require it to take specific actions under ongoing conditions of registration, or report on specific aspects of its plans to ensure progress.

This aspect of OfS regulation is one where we are at our most hands-on. For example, we will review progress annually, including analysing the patterns and trends shown in the access and participation dashboard. We will also publish data on providers' progress. If a provider is at risk of not meeting its targets, we may require it to submit an updated plan, but if it is making sufficient progress, it can keep a plan in place for five years. Such flexibility in regulation means that we can focus on those with the most pronounced equality gaps, while intervening less in those with smaller access gaps.

For example, the Universities of Oxford and Cambridge had specific conditions placed on them in July 2018 relating to the impact and effectiveness of the large amounts they were spending on financial support for students such as bursaries.[81] These conditions were lifted a year later after they carried out robust evaluations of their financial support, and our monitoring and engagement are now focused on other aspects of their access and participation plans.

To assess our own and the sector's performance, we have adopted a number of key performance measures. To encourage innovative approaches and to allow their initiatives to bed down, universities and colleges have been given an extensive timescale to achieve these targets.

While we are setting shorter-term targets for progress over the next five years, we have also set long-term ambitions to reflect the generational challenge facing universities and colleges. For instance, we intend that the gap between Participation of Local Areas (POLAR4) quintile 1 and 5 students at high-tariff providers (a gap of 19.8 percentage points in 2017) should be fully closed by 2038.[82] The long deadline means that universities and colleges can focus on delivering and assessing the impact of their plans rather than having to concern themselves with short-term evaluation and administration. We consulted widely to inform these targets, including with the National Union of Students and with academic and support staff. Providers are required to involve students in the development of their plans and we will be actively involving them in monitoring. In support of this, we have developed a 'How to get involved' section on our website, running concurrently with a YouTube campaign.[83]

For the first time we have published comprehensive data underpinning the analysis for all providers, in the access and participation data dashboard on our website.[84] This resource, which represents a significant breakthrough in the availability and comparability of such data, will be updated annually with the most recent data as it becomes available. At present it allows specialist users to compare how their university or college's access and participation rates measure up. It has proved valuable particularly in giving all providers the data needed to assess their own performance in this area, and in allowing us to challenge providers to set more ambitious targets.

From 2020 we expect to update the dashboard to improve transparency for non-technical users, so that students, staff and students' union officers can use the data to see where their provider excels and where it needs to improve.

We have also published an experimental measure based on the associations between characteristics for students (ABCS) that combines data on a number of characteristics including POLAR, other area-based measures, gender, and ethnicity.[85] We anticipate that this measure will have the potential to allow universities to better identify particular groups of students who have different outcomes across the student lifecycle.

In support of all of this, the OfS has commissioned the Centre for Transforming Access and Student Outcomes in Higher Education (TASO).[86] This centre is intended to generate and collate evidence of 'what works' in access and participation, and to equip providers with the tools they need to deliver successful outcomes for students. By evaluating and sharing effective practice, TASO will help to drive reforms in the sector.

Working towards fairer admissions

This year there have been a number of developments in the sector in relation to admissions. Many universities have introduced more radical contextual offer schemes. The University of Warwick announced plans to reduce its advertised offer by up to four grades for disadvantaged local candidates.[87] York St John University overhauled its admissions system to include a variety of offers, allowing for a standard conditional, an unconditional, or a reduced points offer. Its contextual offer is the most radical thus far published by an English university: a reduction of up to 40 UCAS tariff points (equivalent to five grades at A-level).[88]

Other universities have expanded their use of foundation years for students from disadvantaged backgrounds. The University of Oxford, for example, announced its intention to offer a foundation year to 50 students a year from 2021, alongside other measures such as a summer bridging programme and online support for students.[89] The University of Cambridge is opening a similar scheme from 2020 for around 200 disadvantaged young people.[90]

One of the barriers to implementing widespread and holistic contextual offers has been the lack of data available to admissions officers at the application stage. For example, it is important for universities to use more than just an area-based measure such as POLAR to decide whether or not to make a reduced offer, to recognise more fully the context in which grades have been achieved.[91]

Case study: Eliminating educational and economic disadvantage gaps at St George's, University of London

St George's intends to reduce the gap between the proportion of POLAR4 quintile 1 and 2 students and POLAR4 quintile 5 students among young, full-time undergraduate entrants who reside outside Greater London, from 7.1 per cent in 2017-18 to zero in 2024-25. It also aims to increase the proportion of Index of Multiple Deprivation quintile 1 entrants among young, full-time, undergraduate entrants from 17.9 per cent to 22.9 per cent in 2024-25.

The university aims to achieve this by reviewing its long-term outreach, recruitment and admissions strategies, as well as expanding the reach of its outreach activities. The plan also includes developing new course provision, including a foundation year, and a more comprehensive approach to contextualised admissions.

We have scrutinised other forms of admissions practices during the past year. The percentage of students receiving unconditional offers has ballooned from 1.1 per cent in 2013 to 37.6 per cent in 2019.[92] Research from the OfS showed that unconditional offers were being made disproportionately to students from less represented areas. We pointed out that the practice of universities making conditional unconditional offers – whereby an applicant has to make the university their firm choice to get the lower offer – had the potential to put undue pressure on students to accept a place at the university in question.[93]

The OfS has decided to explore whether current admissions practices are best serving the student interest and to propose ways they might be improved.

Evaluating success

We have challenged providers to commit to achieving better outcomes for students, by reducing the gaps between underrepresented students and their peers. We have also challenged them to demonstrate value for money, by improving outcomes for students and the evaluation of their activities.

All providers have demonstrated greater ambition and credibility than in previous access and participation plans, in both their targets and their practice. Some have been particularly ambitious, which should result in better outcomes and improved equality of opportunity for underrepresented groups of students. We have applied more scrutiny to those providers that have the furthest to travel to reach this goal.

We have applied risk mitigations to monitor progress in relation to the targets and activities set out in the plans, and in some cases to further challenge the level of ambition. A broad range of providers have been subject to regulatory interventions.

How the OfS is supporting the sector to achieve its goals

The National Collaborative Outreach Programme is intended to increase the proportion of disadvantaged young people going into higher education. Launched in 2017, It supports impartial and sustained higher education outreach by a range of institutions, tailored to the needs of young people in target areas.

So far the programme has engaged 100,000 young people across the whole of England. Some of the schools and colleges the projects have engaged had not had any interaction with university outreach events since the Aimhigher programme ended in 2011. The participants have benefited from mentoring by university graduates, attended campus visits, and gone to summer schools at universities. The aim of these projects is to improve the participants' knowledge of, attitude to and aspiration towards higher education.[94]

We are working on a campaign to promote the opportunities the programme gives school students more widely, to teachers and parents.

Interventions the OfS has made include approving plans over a shorter period (two or three years instead of five), requiring engagement with the Director for Fair Access and Participation, and asking for reports on the progress of specific interventions and their impact, and variations to plans, including revising targets.

We have completed the majority of the access and participation plan assessments for 2020-21. We will publish a fuller analysis

in the new year, once most assessments and discussions with providers have been completed.

Conclusion

This year we have assessed 224 access and participation plans. The strategies they detail are, in the main, ambitious. To encourage more effective evaluation and robust data collection, we have set up the evidence centre TASO and published provider-level data on our website.

We will:

- Continue to explore and make available new ways of identifying underrepresented groups in higher education, by, for example, working with UCAS to make free school meals data available to universities at the point of prospective students' application.
- Trial our new experimental data, which will allow an exploration of the extent of access gaps for students with multiple characteristics: for example, whether a black disabled woman has less chance of entering higher education than someone with only one of these characteristics.
- Invest in skills to support inclusive growth, for instance by setting up funding to bridge skills gaps in the area of artificial intelligence.
- Launch a challenge competition in 2020 aimed at supporting and encouraging greater diversity of provision, including innovation and technological solutions in flexible and part-time learning.

Overall, the sector has already begun to respond to our regulation in innovative ways. This year has been about bedding down our new regulation requirements; the next will be about supporting universities and colleges to fully implement them.

Case study: Reducing the access and participation gap through multiple approaches at the University of Manchester

The University of Manchester aims to reduce the access gap for underrepresented students to a ratio of 3:1 (in line with the OfS Key Performance Measure), to reduce the degree attainment gap between black and white students by half, and to eliminate the degree attainment gap between disabled and non-disabled students.

The university aims to achieve this by reviewing its contextual admissions policy, using the newly established University of Manchester Institute of Teaching and Learning to review the curriculum and assessment methods, and collaborating with other universities and colleges in Greater Manchester, alongside the NHS, to pilot the Greater Manchester Student Mental Health Hub.

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4. A high-quality student experience

The experience of students is at the heart of the OfS's role as a regulator. We are committed to ensuring that all students from all backgrounds receive a high-quality academic experience. This imperative encompasses a vast array of issues, from teaching quality and curriculum choices to mental health and the prevalence of hate crime. Such activities may involve regulation with individual providers and across the whole higher education sector. This chapter looks at how the OfS uses its regulatory role to improve teaching. It also examines how we address some of the major challenges affecting students, with an explicit focus on mental health and the experience of marginalised groups. Finally, it describes what the OfS will do in these areas in the future.

Improving the quality of teaching

Since the increase in fees in 2012, there has been a concerted effort by government to ensure that teaching at universities is given equal prominence with research. The National Student Survey, introduced in 2005, has been a driver of innovation in teaching and learning. The Teaching Excellence and Student Outcomes Framework, created to balance the focus on the Research Excellence Framework, has recognised excellence in higher education teaching since 2017.

Overall, student satisfaction is high, with 83 per cent of students satisfied with their courses in the 2019 NSS.[96] Between 2006 and 2016, overall student satisfaction with teaching feedback increased by 15 percentage points.[97] For full-time young undergraduate students, continuation rates remain high, with 92.2 per cent of 2016-17 entrants still in higher education a year later.[98] Since 2017, 71 English universities and colleges have received a Gold TEF award, signalling the high quality of the teaching in the sector.[99] The great majority of students, therefore, already have a good experience at university or college.

However, NSS satisfaction rates between providers vary by over 20 percentage points for teaching.[100] Lesbian, gay and bisexual students report being more anxious than their straight counterparts.[101] Numbers of students reporting mental health issues have risen noticeably in number over the last decade.[102] Numbers reporting hate crime and sexual violence have also risen.[103] Course closure is a worry for students whose provider may be at risk.

The role of the OfS

The OfS has a number of ways of ensuring students have a good experience at university or college, but the most important issue to students when judging the value of their courses is the quality of teaching.[104] We measure students' satisfaction with

their courses through the NSS, and student experiences and outcomes at universities and colleges through the TEF.

This year we ran a trial national survey of students undertaking postgraduate taught degrees. This survey offers the chance to analyse the effect of the new postgraduate loan and get information on the experience of a hitherto overlooked group. Over 14,000 students responded and we will release our findings in 2020.

National Student Survey

We run the National Student Survey, an annual census of most final year students in the UK.[105] This year was the 15th year of the NSS, which has now surveyed over 4 million students. Its aim is to inform prospective students' choice of what and where to study. It also offers providers information on where and how to improve the student experience. The survey has 27 questions on a variety of aspects of the student experience, from teaching and feedback to the resources in the institution's library.

This is the third year of the new version of the survey. Students continue to report lower rates of satisfaction with the assessment and feedback on their courses than in other areas covered by the survey. 72 per cent agreed that the criteria used in marking were clear, and 74 per cent said they received timely feedback on their work. This set of questions also had some of the widest ranges of responses at a provider level (see Table 2). All four questions have a percentage point difference of 20 or more between the providers in the bottom 10 per cent and those in the top 90 per cent.[106] This highlights a wide variation in the quality of teaching and feedback between providers, with a number delivering extremely good teaching and others falling short.

We are looking at ways to make the NSS a richer source of information for students making choices about where to study.

Teaching Excellence and Student Outcomes Framework

The TEF has become an increasingly powerful tool for identifying high-quality teaching at universities and colleges. Students tell us that teaching quality is the most important issue for them in determining whether they receive value for money. The TEF is intended to give students confidence in the teaching they can expect from their university or college and allow comparison between them. It measures excellence in the learning environment and the educational and professional outcomes achieved by students, as well as the quality of teaching. The assessment is based on a submission by the provider, alongside measures of:

- teaching on the course
- assessment and feedback
- academic support
- students' continuation in their courses
- progress to employment or further study
- progress to highly skilled employment or further study, and earnings in the former.

Some 270 universities and colleges have received TEF awards, with the most common award being a Silver (46.9 per cent as of October 2019). The awards highlight excellence across a diverse range of higher education providers with different methods and styles of teaching. Across the board the TEF is incentivising and driving a better student experience, with some 73 per cent of providers that responded to a Universities UK survey saying it would enhance the profile of teaching and learning. Universities and colleges also recognise the positive impact that a Gold or Silver TEF award in particular can have on their reputation, and tend to promote these awards prominently in their marketing materials. Current students make up a third of the TEF panel members and are therefore an integral part of the assessment process.

Table 2: Percentages of students at providers agreeing with assessment and feedback statements in the National Student Survey, at specific percentiles

Statement	10th percentile	Median (50th) percentile	90th percentile	Percentage point difference between 10th and 90th percentiles
8 – The criteria used in marking have been clear in advance.	66	76	86	20
9 – Marking and assessment has been fair.	65	74	88	23
10 – Feedback on my work has been timely.	64	75	86	22
11 – I have received helpful comments on my work.	67	78	90	23

During 2018-19 the government commissioned an independent review of the TEF, and we piloted ways of rating the subjects taught by a provider. The pilot explored the importance of understanding excellence in teaching and student outcomes for individual subjects. It looked at how ratings can vary for different subjects within one university or college, and what this means for an overall TEF rating for the provider. Following the outcomes of the independent review and our pilot, we will develop the exercise and continue to be ambitious about what TEF can achieve in driving excellence in the sector.

Mental health

Poor mental health among students in higher education is a major issue, which students have consistently identified as a priority for them. The number of students who report mental health issues has risen substantially over the last decade. While students remain significantly less likely to attempt suicide than their peers who do not go to college or university,[107] the increase in mental health issues is worrying.

There is more that the sector as a whole can do to support students with poor mental health. The OfS has invested £14.5 million across 10 collaborative projects to drive fundamental change. Many involve collaborations with organisations outside the sector such as the NHS and mental health charities.[108] Each project explores solutions to different challenges to mental health and higher education, such as helping first year undergraduates make the transition from school to university, understanding the specific needs of international students, and the effectiveness of early intervention with postgraduate students.

There are notable gaps in the data we collect on students' wellbeing. We are developing ways of capturing more data and as a first step have produced experimental

Case study: Pause at the University of Birmingham

OfS funding will help Birmingham establish a 'hub' of qualified therapists and volunteers with mental health experience who will offer brief therapeutic interventions for students without the need for appointments or waiting lists.

The project, delivered in partnership with Birmingham Women's and Children's NHS Foundation Trust and the Children's Society, will run 30 hours per week, 50 weeks per year across the campus, ensuring easy access to specialist support for students when they need it.

Case study: Standing Together Against Hate at the University of Leicester

Leicester's project was run collaboratively, led by academics at the Centre for Hate Studies and delivered by the students' union, student support services, estates and campus services and the equality, diversity and inclusion team.

The project had three aims: developing a student-led awareness-raising campaign, delivering hate crime training to students and staff, and opening a third-party reporting centre.

The university recognises a collective responsibility to challenge prejudice and hostility in all its forms. These materials are an example of good practice, and could be more widely adopted, and adapted where necessary.[116]

statistics on background characteristics including sexuality and gender identity, which will cover mental health.[109]

Hate crime and sexual misconduct

A significant issue for student wellbeing and safeguarding is the prevalence of hate crime, sexual violence and harassment on and off campus. A recent report by the Equality and Human Rights Commission shows that nearly a quarter of ethnic minority students have been subject to racial harassment on campus,[110] and a 2018 survey run by the National Union of Students showed that a third of Muslim students experienced a hate crime while at university or college.[111] In 2019, in a study of over 6,000 students, 49 per cent of women said they had been touched inappropriately.[112] There have been several high-profile cases of universities admitting to failings when students have reported sexual abuse or harassment.[113]

We have distributed £4.7 million to 119 projects to tackle hate crime, across 71 higher education institutions and 14 further education colleges. This funding has enabled them, for example, to hire specialist staff, implement bystander intervention training and create online reporting tools.[114] These projects are already having a marked impact in improving the protection of students and allowing them to report incidents of sexual violence, hate crime and online harassment. They offer practical steps and resources that universities and colleges can embed to effect the necessary radical change.

We intend to publish a consultation document laying out our expectations for universities and colleges in terms of preventing harassment and sexual misconduct, and dealing appropriately and effectively with reports of infringements.[115]

Conclusion

Students are entitled to expect a good overall experience while at university or college. But there remain significant variations between different providers in the quality of teaching, assessment and feedback. We will continue to highlight such differences through the TEF and an enhanced National Student Survey, as such transparency is important to effecting improvements.

At the same time, there is growing concern about how universities and colleges address issues that have a wider impact on students' lives on campus. More students are reporting poor mental health. There is growing concern about sexual and racial harassment. And this has served to highlight the inadequacy of many of the processes used to address these issues.

We will work to improve the quality of the academic and pastoral experience of students, using our powers of monitoring and intervention where appropriate.

We will:

- Explore expanding the NSS survey to cover all years of a student's course.
- Continue to fund and evaluate priority areas such as mental health.
- Set out our expectations of universities and colleges in preventing and dealing with incidents of harassment and sexual misconduct.
- Following the outcomes of the independent review of the TEF, develop the scheme to increase its future role in securing high-quality teaching and learning in the sector.

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5. Beyond higher education: Ensuring successful outcomes

One of our key regulatory objectives is ensuring that all students, whatever their background, can progress into employment, further study and fulfilling lives. We also have to ensure that their qualifications hold their value over time. This chapter looks at the OfS's role in ensuring that degrees are equitably awarded and how we are encouraging universities and colleges to address skills shortages. It describes our role in addressing the black attainment gap and the unexplained increase in students receiving first-class degrees. Finally, it outlines what we intend to do and expect providers to do in the future.

The degree dividend to graduates, the economy and society

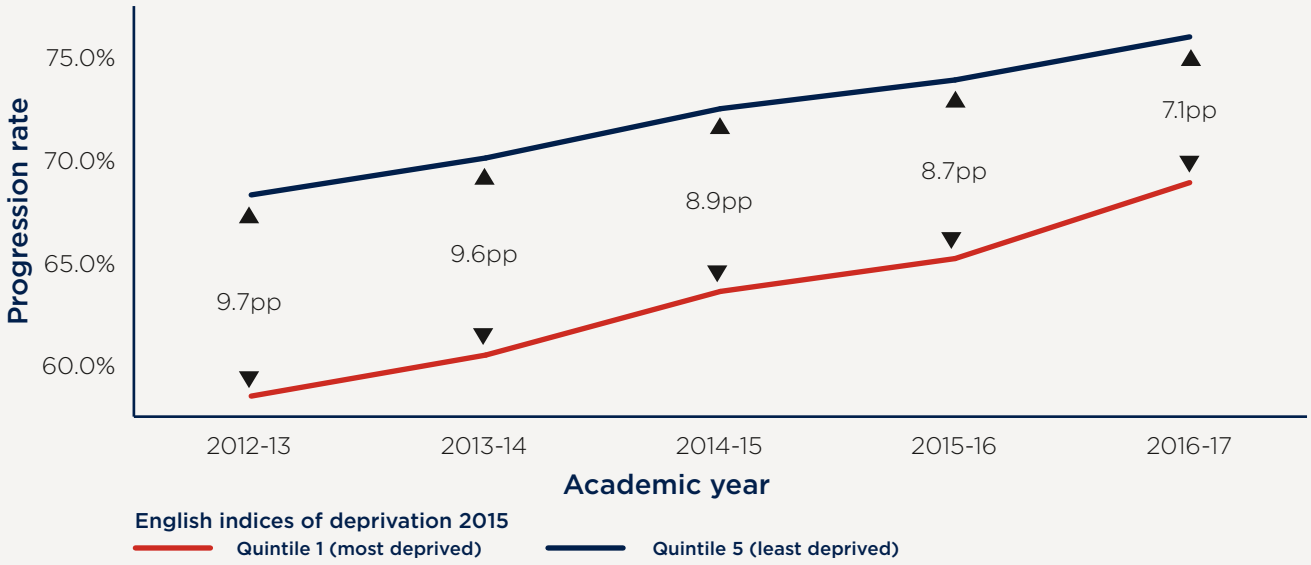
A degree continues to benefit students and graduates. It can have a transformative impact on students' lives, and offers both monetary and more intangible benefits to them and to society. The graduate unemployment rate currently stands at 5.1 per cent, the lowest since 1979.[117] By the age of 29, the vast majority of graduates earn more than those who do not go to university.[118] Increasing numbers are taking postgraduate degrees.[119]

Higher education can be life-changing. Degrees develop higher-level analytical skills, adaptability, critical thinking, and responsiveness. These qualities are not only in demand in today's economy, but form a foundation for improved life chances and long-term careers, given the quantity of flex and change demanded over a working life. The employment rate among disabled people is 71.7 per cent for those with a degree, compared with 45.6 per cent for those whose highest qualification is at GCSE level.[120] Prisoners who receive funding to undertake Open University courses have a reoffending rate four to eight percentage points lower than similar prisoners who do not.[121]

Higher education has a major impact on the UK's economy. In 2014, universities accounted for 1.3 per cent of the jobs in the UK and generated £95 billion of gross output in the economy, 2.9 per cent of the nation's entire economic activity.[122] They remain one of our flagship industries, bringing large numbers of international students into the UK. Universities and colleges are contributing more directly to economic growth through building projects and employing support staff.

Yet not everything is positive. 36.5 per cent of graduates were in 'non-graduate' roles five years after leaving university, though this includes positions like paramedic, where degrees are now expected.[123] There are also significant differences in the earnings of students from marginalised groups. Graduates from more deprived backgrounds are less likely to progress into highly skilled employment (see Figure 5). Five years after leaving university, students from POLAR quintile 1 areas earned, on average, 19 per cent less than those from quintile 5. In terms

Figure 5: Percentage of graduates in highly skilled jobs by index of deprivation, 2012-13 to 2016-17



Note: 'pp' = 'percentage point.

Population: English-domiciled full-time undergraduate qualifiers from English higher education providers.

Source data: OfS access and participation dataset 2019.

of proportions in highly skilled employment or further study, there is a 4.2 percentage point gap between students whose parents come from the most and least advantaged standard occupational classification groups.[124]

The OfS's role: Local graduates and uneven opportunities

Skills gaps

Certain sectors of British industry and business have suffered from a lack of qualified workers. One way the government has sought to close this skills gap is through the Degree Apprenticeship Development Fund. Set up in 2016 and now run by the OfS, it has dispensed over £9 million to support the development and delivery of degree apprenticeships in areas including chartered management, digital and technology solutions, engineering, construction, and healthcare.

Degree apprenticeships benefit school leavers from disadvantaged backgrounds, potentially increasing social mobility. The highest take-up rate is in the North East and North West, where there are multiple higher education cold spots.[125] In June 2019, we were invited to assess apprenticeships at Levels 6 and 7 delivered by providers not registered with the OfS, allowing us to ensure that they are of high quality. We are currently running a trial at four providers to assess how we can best regulate these degrees.

A number of our projects aimed at closing skills gaps have focused on encouraging older people to retrain. The OfS has funded research into how to arrest a decline in mature students applying to study nursing since the removal of bursaries in 2017 (before which they made up half of all entrants). The research suggested that universities could better raise awareness of nursing careers, and outline more carefully the financial support available to the student.[126] Such conclusions are not only applicable to nursing; they suggest a pathway for providers offering other courses.

Research by the Sutton Trust has shown that 55.8 per cent of graduates study within 55 miles of the area where they grew up, and in 2015 69 per cent took jobs in their home regions.[127] Some regions, such as London, retain around four-fifths of their students.[128] However, opportunities in some regions are limited because of variations in productivity and labour markets. At the same time, areas with the lowest productivity and growth are the places that most need to capitalise on graduate talent to succeed. Universities in these areas offer industry a ready supply of graduates, many of whom are currently impelled to move away (see Figure 6).

Our role in encouraging such innovation was highlighted in the Industrial strategy white paper. To target current and anticipate future skills shortages we were invited to incentivise existing providers to become more dynamic, and to encourage new high-quality colleges and universities. This will allow the OfS to 'drive improvements in productivity and support the wider economic needs of the country.'[129]

Despite the huge increase in student numbers in the last two decades, there remain substantial skills shortages in certain sectors. In 2017, there were 42,000 vacancies in the NHS for nurses, midwives and allied health professionals. Since 2018, we have invested £1 million annually to increase the number of students studying therapeutic radiography, podiatry, orthoptics, prosthetics and orthotics.[130] To help meet the engineering skills shortage, we are supporting the development of innovative provision. We have also funded the establishment of 41 masters' level conversion courses in engineering, data science, cybersecurity and computing.[131]

One way to ensure that all students have the opportunity to pursue professional roles is by making work experience an intrinsic part of a degree. Some 59 per cent of employers, when recruiting graduates, regard this as one of the most important factors.[132] However, work experience, often undertaken during university holidays in the form of unpaid internships, can be harder for more disadvantaged students to manage.

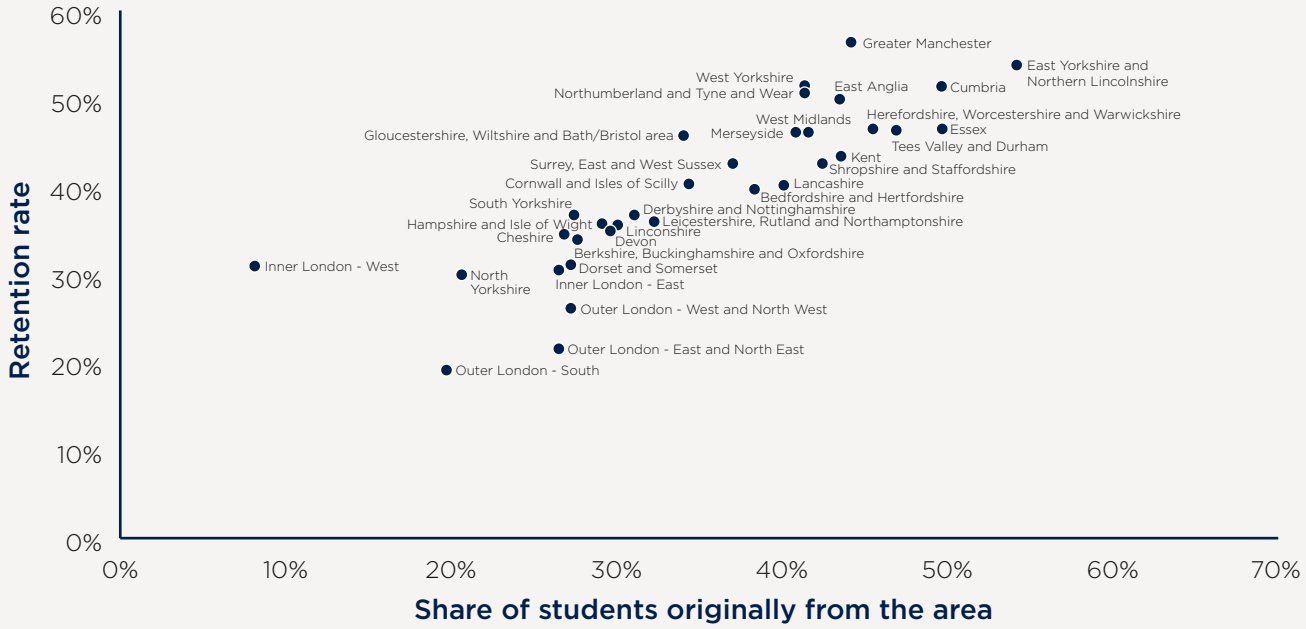
Case study: Employability for Life at the University of Law

The University of Law has developed an approach to employability which recognises the extra barriers faced by students who are underrepresented in higher education. Employability for Life provides practical support for students before they start, during their time as a student, and throughout their subsequent careers. It also enables staff better to understand how professional and personal ambitions, responsibilities and experiences relate to each other, helping the design of the programme.

The programme is targeted at students from less advantaged economic groups and disabled students. Many disadvantaged students lack the social capital to engage with employers and access voluntary opportunities. They also often have more family and personal responsibilities. Disabled students also receive extra mentoring support through existing programmes.

All students will benefit from a specific Life module embedded in the curriculum which includes support around: employability skills, including volunteering and pro bono work; personal financial management; emotional well-being including mental resilience; and familial relationships. The university works with employers to provide paid internships and work placements, with financial support where required.

Figure 6: Relationship between retention and local students, 2012-13 to 2016-17



Population: UK-domiciled graduates with an employment postcode (distance learners have been excluded).

Source data: HESA student records, HESA alternative provider records, ILR and DLHE, 2012-13 to 2016-17.

The Universities of Bath, Bedfordshire and Warwick, to take just three examples, all now offer placements for undergraduate students who want them.

With the expansion of government loans to cover £10,000 towards the cost of a masters' degree, the number of students studying these degrees increased from 73,880 in 2015 to 96,465 in 2016. The proportional increase was largest among students from low participation areas, black students, and students who declared a disability.[133] This loan scheme has therefore allowed more people from underrepresented groups to undertake further study, further enhancing their skills and employability.

We have also encouraged providers to innovate through our Challenge Competition, which has awarded £5.6 million to help 15 projects improve local graduates' employment opportunities. Through this fund, we will support the providers to furnish students with work-related training and develop links with local employers and infrastructure. This will increase opportunities and choices for graduates to find highly skilled work locally, and its outcomes will be used to inform future practice across the higher education sector.

These projects address one or more of the following challenges:

- improving employment rates for students, particularly those from marginalised backgrounds, such as students of minority ethnic backgrounds and disabled students
- improving graduate outcomes for mature or part-time students who plan to remain in their local area for study and post-study work
- addressing geographical skills gaps by ensuring graduates are well prepared to succeed in local industries.

This funding will help us and the sector challenge the persistent divergences between outcomes for different student groups, especially the most marginalised, and help us deliver on our Industrial strategy priorities.

Case study: Embedding and sustaining inclusive STEM practices at the Open University

This project has received £480,050 from the OfS to build inclusive learning values and practices in the delivery of science, technology, engineering and maths (STEM) subjects. It is a collaboration between the Open University, the University of Leeds and the University of Plymouth.

The project aims to:

- embed inclusive resources, module and curriculum design practices in the three universities
- create sustained, inclusive module and curriculum delivery practices
- increase awareness of student diversity and inclusive design approaches among staff and students.

Ultimately, this project will generate recommendations and principles for universities, colleges and associated professional bodies to ensure equality of opportunity for all STEM students.

Case study: Supporting transitions at South Essex College

The college has considerable experience of supporting disabled learners' progression from further to higher education, both within the college and to other higher education providers. Students are supported by a personal higher education disability adviser throughout their transition from further to higher education. The adviser provides encouragement, and gives impartial advice about options for accessing support to help them make informed decisions about their next educational step.

A key element of this support is through the annual review process of education, health and care plans that students have while studying at further education level. Although the plan expires when they enter higher education, it provides evidence for their needs assessment. The college identifies the aspects within students' plans that it is able to continue to support at higher education level, thus helping to smooth the transition.

Divergent outcomes

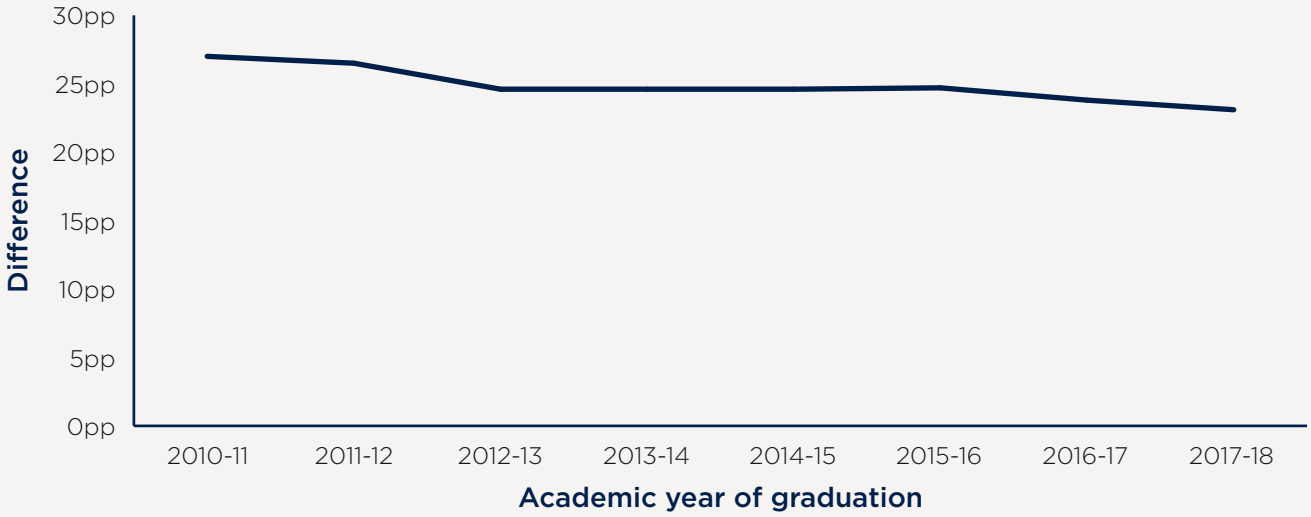
The proportion of students getting a 1st has been increasing steadily, by around two percentage points a year, for over a decade, increases that partly reflect grade inflation. Nevertheless, not all students who enter with the same A-level results have the same chance of coming out with a good degree, nor of going onto a graduate job. This section looks at these degree results and attainment gaps and asks how universities, colleges and industry should address them.

Degree attainment gaps

Women remain more likely to get a good degree than men. 79 per cent of students who began their degree under the age of 21 gained a 2:1 or 1st, compared with 67 per cent of mature students.[134] Those who entered with BTEC qualifications fared less well than those who entered with A-levels.[135]

One of the starkest gaps, however, is that between white students and their counterparts from minority ethnic groups (See Figure 7). For example, while 82.2 per cent of young white students were awarded

Figure 7: Gap in degree outcomes (1sts or 2:1s) between white students and black students



Note: 'pp' = 'percentage point'.

Population: UK-domiciled graduates from full-time first-degree provision at English higher education providers.

Source data: HESA student records and ILR, 2010-11 to 2017-18 data.

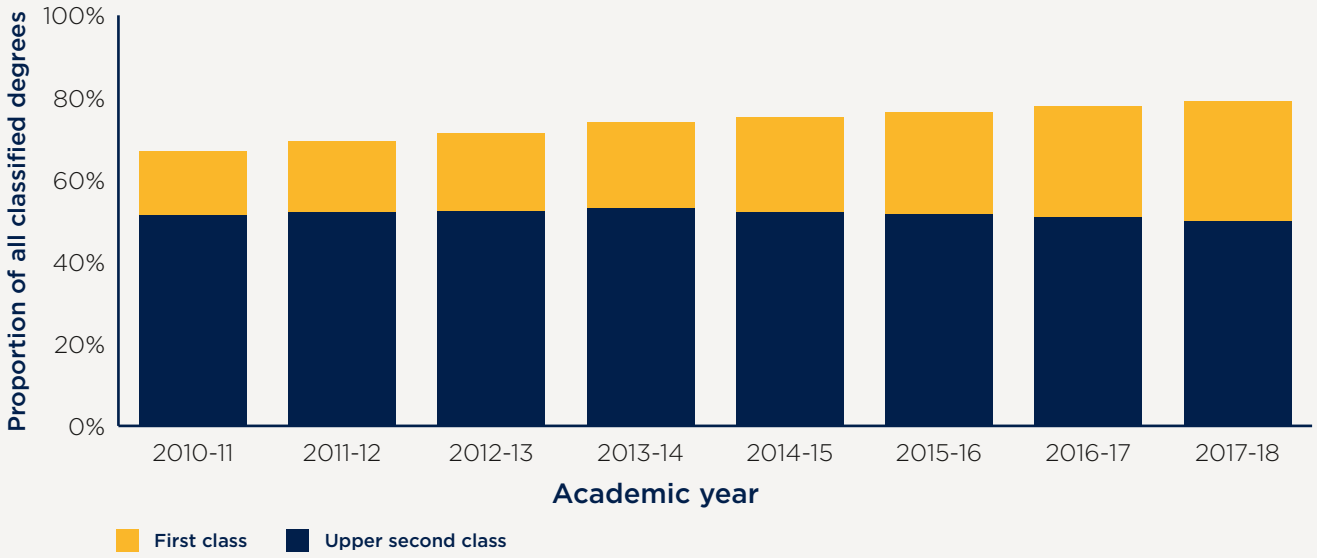
a 1st or 2:1 in 2017, only 60.4 per cent of their black and 71.7 per cent of their Asian counterparts were.[136]

This year has seen a significant shift in the sector's response to the issue of attainment for black, Asian and minority ethnic students. While there has been evidence since at least 1996 that such a gap existed, and student activists have long demanded its closure,[137] only recently has the issue garnered much interest from universities and colleges. As the Universities UK and National Union of Students (NUS) report from May 2019 stated: 'the sector now accepts that there is a problem'.[138] The report outlined five changes universities and colleges could make: show strong leadership, have conversations about race and racism, create racially diverse and inclusive environments, collect and analyse data, and highlight what works.

Nor is this problem limited to university and college attainment. The 2007 McGregor-Smith report showed that people from black, Asian and other minority ethnicities experience discrimination throughout their careers. Employers are beginning to use contextual data to ensure they have a more diverse workforce. Where many firms previously set hard A-level entry criteria, now many organisations use contextual data to make offers to disadvantaged candidates who might otherwise be overlooked. In 2015, Deloitte committed to using contextualised data to offer positions to 1,500 graduates.[139] This development means that marginalised students can be supported through the university lifecycle and into employment afterwards.

The increased pressure from government, the OfS, students and activists means that this can be a tipping point for black, Asian and minority ethnic attainment. Now that the problem has been recognised, the issue of how to tackle it remains. We need to listen to those with lived experience and create more diverse ways of teaching, targeted mechanisms of support, and more inclusive workplaces to close this gap.

Figure 8: Changes in the proportion of classified degrees awarded as 1st and 2:1 from 2010-11 to 2016-17



Population: UK-domiciled graduates from full-time first degree provision at English higher education providers (with at least 10 graduates in each year).

Source data: HESA student records and ILR, 2010-11 to 2017-18 data.

Numbers of 1sts and 2:1s

As shown in Figure 8, the percentage of first and upper second class degrees awarded has increased from 67 per cent in 2010-11 to 78 per cent in 2016-17, while the percentage of first-class degrees has increased from 16 per cent to 27 per cent. The increase in students getting good degree grades is not new: the number of students receiving 1sts or 2:1 has been increasing steadily since the early 1990s.[140]

Many factors could be behind this increase. Our analysis has shown that a proportion cannot be explained by changes in the graduate population in terms of various explanatory variables, but it could be down to an increased focus on teaching, an encouragement to use the full range of marks, better feedback, schools better preparing pupils for higher education, or the increased necessity of a 2:1 for graduate jobs. However, another possible explanation is 'grade inflation' arising from an increased pressure on lecturers to give students 'value for money' in the form of a desirable outcome from their more expensive degrees, either as a recruitment tool to encourage students to attend a university or to boost its position in commercial league tables. Across the sector there is considerable variation in the number of 1sts awarded.

We recognise that universities and colleges are beginning to confront this problem and given the significant public scrutiny of degree standards we want to understand how providers have assured themselves that they continue to apply consistent standards. The UK Standing Committee for Quality Assessment has stated its own intent to protect the value of UK degree standards and increase the transparency of degree classifications.[141]

The increasing use of a narrow range of degree classifications makes it harder for employers to differentiate between an average candidate and an excellent one. There has been growing pressure from think tanks to reform the way degrees are classified. This ranges from proposing an American-style Grade Point Average (GPA)

classification system to a nationwide system of exams and marking undertaken by all students regardless of where they study.[142]

This topic highlights one of the tensions in the OfS's work as a regulator. On the one hand, we want to encourage a broad range of students to go into higher education and to succeed. On the other, we need to ensure that degrees do not lose their value over time, so that graduates can be rewarded for their hard work and employers can compare like with like. However, there is no inherent contradiction in ensuring all students receive fair degree outcomes.

Conclusion

This chapter illustrates the importance of universities and colleges to the UK economy both nationally and regionally. On an individual level, a graduate continues to earn more, on average, than a non-graduate.

Students expect that their degrees will lead them to good jobs or the chance to study at a higher level. But there has been increasing concern that too many students are not accessing graduate-level employment, and that too many lack the skills required by employers. Universities and colleges have an important role to play as engines of economic growth in their regions, and that extends to ensuring that their graduates have the skills needed by employers.

Equally there has been wider public disquiet about the devaluing of degrees through unexplained grade inflation. At the same time, the proportion of black students gaining a good degree is significantly lower than that of white students. Ensuring that degrees maintain high standards and are awarded fairly is crucial to their continued value.

We will:

- Work with universities to ensure that degree results are not being devalued, that the awarding process is fair and that it does not disadvantage particular groups.
- Put pressure on providers to close the attainment gap between black and white students through access and participation plans, and support them to share good practice in this area.
- Continue to work with industry, including on contextual offers and links with universities and colleges so that the graduate workforce reflects the needs of UK industry and the population it serves.

As a regulator, our priorities include both maintaining quality and ensuring fairness. We do not accept the argument that poor outcomes must be tolerated because students come from poor backgrounds. Over the next year, we will continue to work with universities and colleges to ensure that all students have equal opportunities to gain a high-quality degree.

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6. Value for money

One of our four primary objectives is that all students, from all backgrounds, receive value for money. We secure value for money in return for the contributions made by individual students and taxpayers, in terms of student participation, experience and outcomes, high continuation rates and good degrees which hold their value over time. This chapter looks at students' conceptions of value for money, how the OfS is responding to its own need to give value for money, and what the sector and the OfS need to do over the coming year.

What is value for money?

Growing student expectations

The tripling of fees in 2012 increased expectations of value for money. This reform was met by widespread student protests and warnings of a fall in student numbers. Many of these forecasts have not come to pass. For example, the fee change has not resulted in a fall in the number of 18-year-olds from disadvantaged backgrounds entering higher education.[141] Nor has it resulted in a substantial fall in students' satisfaction with their degrees, which remains high at 83 per cent.[142] A 2018 survey of 1,505 young people by Universities UK showed that 54 per cent of respondents agreed that students should contribute to the cost of their education.[143]

The understanding of what 'value' means among students is neither uniform nor unchanging. For many, value is understood in economic terms: they want a degree that will confer the skills to get a well-paid job. For others, it is measured academically, in getting to study with world-leading experts on a particular topic. And for some, it is meant in terms of the broader experience they get at university, for instance by getting involved with their students' union. While government policies and legislation have long situated students as consumers, and indeed many of the mechanisms for protecting them are predicated on this positioning, many students resist this label.

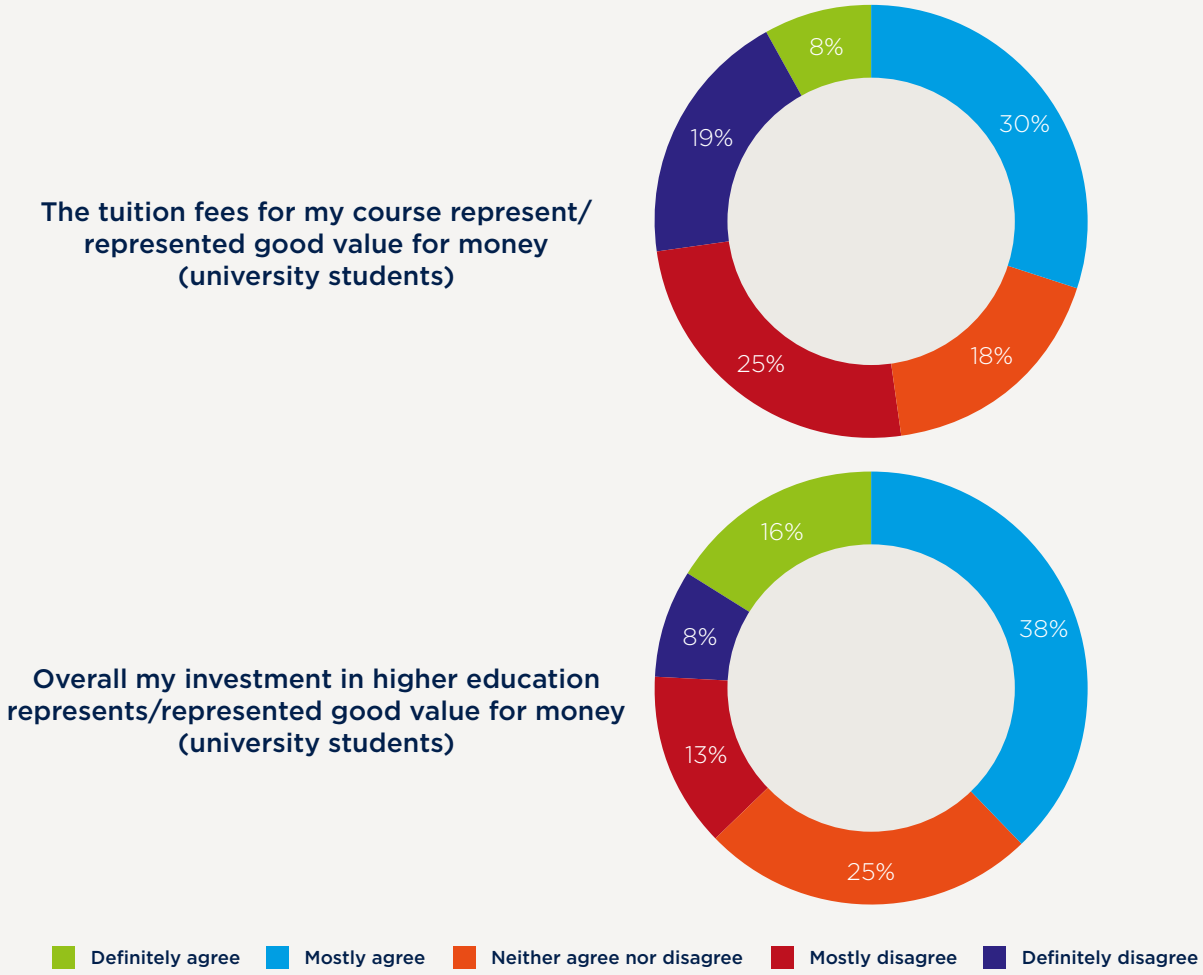
The value of a degree, therefore, is a complex mix of academic expertise and excellent teaching, job opportunities and transferable skills, cultural capital and institutional prestige. Value for money encompasses a vast array of topics and interests.

Teaching quality and feedback

Value for money for students was the subject of the first piece of research commissioned by the OfS (see Figure 9).[144] This research surveyed students, to explore value for money from their perspective. It asked what value for money meant to them, whether or not they felt they were receiving it, and what could be done to improve it.

Teaching and feedback quality was highlighted as the most important factor. Over 90 per cent of students responding to the OfS survey felt that the quality of teaching, assessment and feedback were

Figure 9: Students' views of the value for money they receive



Population: Current higher education students in England (including full-time undergraduates, part-time undergraduate and postgraduate students), recent graduates and school students

Source data: Survey carried out as part of the 'Value for money: The student perspective' research

very important in demonstrating value for money. 81 per cent of respondents identified learning resources, such as library and IT services, as very important.

In 2017, a large survey of higher education applicants, commissioned by the Higher Education Policy Institute and Unite Students, found that 60 per cent expected to spend more time in lectures than they did in school lessons. Only 19 per cent of students found that this actually happened.[145] It is clear that students consider the number of scheduled contact hours to be important in determining value for money, and they expect universities and colleges to be more upfront about what they can expect.

The OfS uses a number of mechanisms to ensure high-quality teaching and feedback. We only register providers that meet our conditions for quality, as set out in our regulatory framework.[146] Through our regulation, we are encouraging providers not just to meet this baseline but to continually improve on it.

We also run the TEF, which rates universities and colleges as Bronze, Silver or Gold depending on the quality of their teaching. This framework is informed by the feedback

students themselves give in the National Student Survey, a census of most of the final year undergraduate students in the UK.

This information on teaching quality is presented in a more user-friendly form on Discover Uni, the official website for comparing higher education courses. It allows prospective students to identify which providers and courses are most likely to meet their needs. Alongside other online sources like UCAS and the Student Room, Discover Uni will give students access to the best information to decide between potential destinations.

The need for better consumer information

Prospective students are not always fully aware of what their educational experience will involve. They can also be surprised by extra costs. Housing and printing costs and the need to buy a computer all affect how students judge the value for money they are getting from their degree. Almost a quarter of respondents to the OfS value for money survey said that they were not informed of or prepared for how much everything would cost as a student.

The Higher Education Policy Institute's annual Student Academic Experience Survey asks students about the value for money of their course, and how their experience compares with their expectations.[147] The results show that students who feel their academic experience did not meet their expectations are much more likely to feel they have not received value for money.

Universities and colleges therefore need to be more transparent. These issues, and others where student expectations are not met, may result from a lack of information available to students. As noted previously, informed choice by students is essential in prompting providers to improve the value for money that they offer. Good consumer information should also inform students about what they can expect for their fees.

Under consumer protection law, providers must give students clear, accurate and timely information about their course. The Competition and Markets Authority has published guidance for higher education providers about how consumer law applies to them.[148] This guidance suggests that they should tell students about the number and type of contact hours and self-study time that are expected, and inform them of the total cost of a course, including fees and any necessary additional costs. We are considering how to strengthen such guidance in the coming year.

Value for money of the OfS

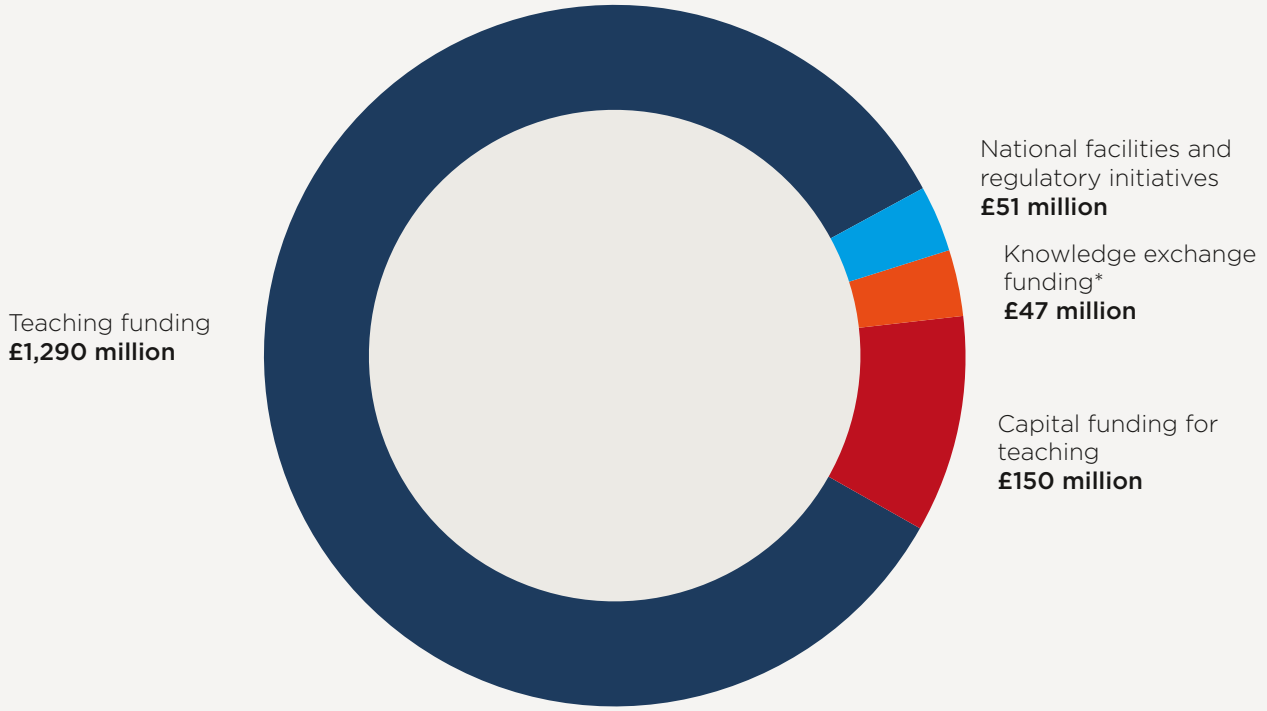
The OfS has two sources of funding.

Firstly, central government issues us with guidance and supplies the public funding that we distribute. This means we need to ensure we are returning value for money for taxpayers (see Figure 10). We do this by enabling the higher education sector to deliver wide social and economic benefits in exchange for public investment. Providers that receive public funding from us, such as through our Challenge Competition, must comply with our terms and conditions, including a stipulation that they ensure effective accountability and represent value for money.[149] After these projects are complete, we evaluate how cost-effective they were.

Secondly, registered providers fund our operations through the registration fees they pay. To ensure this money is used wisely, we have systems of governance, risk management and internal control. Our Risk and Audit Committee receives reports from our auditors and provides assurance that these process are working satisfactorily. We publish full details in our annual report and accounts.[150]

We have an internal plan for improving the organisational value for money of the OfS. This means we embed value for

Figure 10: OfS grant in the academic year 2018-19 (£1,538 million)



Source data: OfS grant allocations (*OfS grant distributed by UK Research and Innovation through Research England).

money in our decision-making, measure our performance, procure goods and services effectively, and make best use of our staff, office space and technology. All this helps us to carry out our activities at lower cost, or with greater efficiency and effectiveness. We will publish a report each year, separate to the OfS annual report, on the value for money of the OfS.[151]

We have established a Portfolio Management Office. This will assess the potential costs and benefits of our planned projects to check that they represent value for money. We also publish key performance measures on our efficiency and effectiveness.[152] These will include a measure of our overall performance – we will show the proportion of our full set of key performance targets that we are meeting.

Conclusion

We have a number of ways to intervene if we do not think universities and colleges are being transparent about value for money. For example, we require them to publish information about senior staff pay in a standard format. In our first audit of senior staff pay, we found that the proportion of all staff paid a basic salary of £100,000 or more in 2017 was 1.5 per cent, up from 1.3 per cent in 2016. However, this increase masks more general variation: 48 providers (36 per cent) reported a decrease in the proportion of staff paid such a salary.[153]

While there is evidence that some universities and colleges are exercising pay restraint, six universities paid their vice-chancellors more than £500,000 annually in 2017.[154] We publish an analysis of senior staff remuneration to ensure transparency.

It is vital that universities and colleges are more upfront about the additional costs that students will be expected to pay. They must also be far more transparent about how much they are paying their senior staff, and what they are spending their students' fees on. To ensure we fully understand

students' ideas about value for money, and to maintain pressure on universities and colleges to deliver it in the future, we will:

- Consider putting a question in the NSS about value for money.
- Encourage universities and colleges to be more transparent in their value for money plans about how student fees are spent
- Continue to monitor the pay of senior staff, and consider taking action if it is unjustified.

Notes

141 OfS, 'Gap in participation between most and least represented groups' (www.officeforstudents.org.uk/about/measures-of-our-success/participation-performance-measures/gap-in-participation-between-most-and-least-represented-groups/).

142 OfS, '2019 NSS summary data'.

143 Universities UK, 'The financial concerns of students', June 2018 (available at https://www.universitiesuk.ac.uk/policy-and-analysis/reports/Pages/the-financial-concerns-students.aspx), p25.

144 Trendence UK, 'Value for money: The student perspective'.

145 HEPI, 'Reality check: A report on university applicants' attitudes and perceptions', July 2017 (available at https://www.hepi.ac.uk/2017/07/04/reality-check-report-university-applicants-attitudes-perceptions/).

146 OfS, 'The regulatory framework for higher education in England' (www.officeforstudents.org.uk/advice-and-guidance/regulation/the-regulatory-framework-for-higher-education-in-england/).

147 HEPI, 'Student academic experience survey 2019'.

148 Competition and Markets Authority, 'Higher education: consumer law advice for providers', 15 March 2015 (https://www.gov.uk/government/publications/higher-education-consumer-law-advice-for-providers).

149 OfS, 'Terms and conditions of funding for 2019-20' (OfS 2019.12), March 2019 (available at www.officeforstudents.org.uk/publications/terms-and-conditions-of-funding-for-2019-20/).

150 OfS, 'Annual report and accounts 2018-19', July 2019 (available at www.officeforstudents.org.uk/publications/annual-report-and-accounts-2018-19/).

151 OfS 2019.38.

152 OfS, 'Efficiency and effectiveness performance measures' (www.officeforstudents.org.uk/about/measures-of-our-success/efficiency-and-effectiveness-performance-measures/).

153 OfS, 'Senior staff remuneration: Analysis of the 2017-18 disclosures' (OfS 2019.03), February 2019 (available at www.officeforstudents.org.uk/publications/senior-staff-remuneration-analysis-of-the-2017-18-disclosures/), p4.

154 OfS 2019.03, pp10-11.

List of abbreviations

ABCS	Associations between characteristics of students
DfE	Department for Education
GPA	Grade Point Average
HEPI	Higher Education Policy Institute
HESA	Higher Education Statistics Agency
ILR	Individualised learner record
NSS	National Student Survey
NUS	National Union of Students
OfS	Office for Students
ONS	Office of National Statistics
POLAR	Participation of Local Areas
pp	Percentage point
STEM	Science, technology, engineering and maths
TASO	Centre for Transforming Access and Student Outcomes in Higher Education
TEF	Teaching Excellence and Student Outcomes Framework
USS	Universities Superannuation Scheme