

Condition B3: baselines for student outcomes indicators

Background

1. Condition B3 of the Office for Students' (OfS's) regulatory framework requires that: 'The provider must deliver successful outcomes for all of its students, which are recognised and valued by employers, and/or enable further study.'
2. The condition is assessed in two stages. The first considers the absolute outcomes delivered by the provider for its students. The second gives consideration of the context in which these outcomes are achieved. As we assess the condition we also conduct a risk assessment to determine the risk of a provider breaching the condition once it is registered. Where our assessment shows an increased risk of a future breach of the condition we can apply regulatory interventions, such as a specific condition, to mitigate these risks.
3. This document primarily relates to the first stage of the assessment. It describes the indicators we constructed and used during the registration process, and explains how we established the relevant baselines against which providers were assessed in the first stage of the process and during our risk assessment. Further detail about how the condition was assessed during the initial registration process and the mitigations that were applied in relation to Condition B3 can be found in 'Office for Students registration process and outcomes 2019-20'¹.

Indicators assessed during registration

4. The regulatory framework identified a range of student outcomes that would be considered for the purposes of assessing Condition B3²:
 - a. Student continuation and completion.
 - b. Degree outcomes, including differential outcomes for students with different characteristics.
 - c. Graduate employment and, in particular, progression to professional jobs and postgraduate study.
5. We constructed the indicators based on individualised student data returned by providers to the Higher Education Statistics Agency (HESA) student record collections, or through the individualised learner record collected annually by the Education and Skills Funding Agency (ESFA) and its predecessors.
6. In large part, the indicators were constructed according to established methods which higher education providers would have some familiarity with. However, there were a small number of refinements to the detail of those methods, and we have documented the detailed

¹ See www.officeforstudents.org.uk/publications/registration-key-themes-and-analysis/

² Paragraph 340 at www.officeforstudents.org.uk/publications/securing-student-success-regulatory-framework-for-higher-education-in-england/

methodology, algorithms and rebuild instructions for the indicators used in relation to Condition B3 to be transparent and to help providers understand these indicators³.

7. For each indicator described in paragraph 4 a-c above, the indicators were constructed to show a provider's performance in aggregate, over a time series (for the number of years up to a five year period for which indicators could be derived from available student data), as well as across 'split indicators'.
8. These 'split indicators' showed the performance within each indicator broken down for students from different demographic groups – in terms of students' age, participation of local areas (POLAR) quintile, English indices of multiple deprivation (IMD) quintile⁴, ethnicity, disability, sex and domicile.
9. In order to construct the maximum five year time series for each of the different indicators, the most recent eight years of student data returns were required⁵. This means that the initial construction of the indicators in spring 2018 drew on data returns for 2009-10 to 2016-17.
10. The indicators are updated annually in around March of each year to incorporate the most recent year of student data once it has become available. Providers still in the registration process in March 2019 were assessed using updated indicators which were constructed from data collected from 2010-11 to 2017-18.
11. As set out in the sector B3 workbook, whether in aggregate, over a time series or across the 'split indicators', all of the indicators were shown separately for each mode of study (full or part-time). The continuation and graduate employment or postgraduate study indicators were also broken down to show outcomes at different levels of study as follows:
 - a. Other undergraduate⁶
 - b. First degree
 - c. Undergraduate course with postgraduate elements⁷
 - d. Other postgraduate
 - e. PGCE

³ Available at: www.officeforstudents.org.uk/publications/registration-key-themes-and-analysis/. Information on the core algorithms is also available: www.officeforstudents.org.uk/media/add284bd-eff2-43cd-bc0d-b423f7bff69c/ofs_core-algorithms.pdf

⁴ For POLAR and IMD, the aggregation of quintiles 1 and 2 is shown separately to the aggregation of quintiles 3, 4 and 5.

⁵ This is because construction of the student continuation and completion indicators described in paragraph 2a involves tracking individual students within and across consecutive years of student data to make a robust assessment of their outcomes. For example, the continuation rates for part-time students starting higher education courses in 2015-16 are derived from student data for the period 2014-15 to 2017-18.

⁶ This level of study is not included in the assessment of graduate employment or postgraduate study indicators for the reasons explained in paragraph 23.

⁷ Examples of undergraduate course with postgraduate elements include: integrated undergraduate/postgraduate taught masters degrees on the enhanced/extended pattern; pre-registration medical degrees regulated by the General Medical Council; pre-registration dentistry degrees regulated by the General Dental Council; and other graduate or postgraduate diplomas, certificates or degrees at levels 5 and 6 where a level 5 or 6 qualification is a pre-requisite for course entry.

- f. Postgraduate taught masters
- g. Postgraduate research.

Establishment of baselines

12. For each indicator we established baselines that indicate whether performance was likely to be of:
 - no concern
 - concern
 - significant concern.
13. The baselines for each indicator vary according to the mode and level of study as set out in Tables 1 to 3.
14. The baselines were determined by making a judgement about what an appropriate minimum level of performance should be.
15. The 'significant concern' baselines for each indicator took account of differential performance between demographic groups. We considered a wide variety of data on this issue including sector level trends published by the OfS and the Higher Education Funding Council for England⁸, as well as analysis contained in the equality impact assessment for the regulatory framework⁹.
16. We also decided that it was important to consider not only the performance against the significant concern baseline established for each indicator, but also how widespread any instances of performance that were of 'significant concern' were within the provider's student population. The inclusion of the demographic 'split indicators' helped this understanding, allowing us to see how the provider's performance applied to different demographic groups, and to calculate the proportion of the most recent student population that fell into demographic groups where performance was 'of significant concern'.
17. We decided that if 75 per cent or more of a provider's students fell into demographic groups with at least one outcome of 'significant concern', then Condition B3 would be unlikely to be satisfied (although we would then consider other relevant factors, including the context in which a provider operates).
18. In adopting 75 per cent as the relevant baseline for the initial consideration of whether the condition was likely to be satisfied (before taking into account the context of the provider), we had regard to the fact that Condition B3 requires that a provider must deliver successful outcomes for all of its students. On one view we could have said that no students should fall into a demographic group experiencing outcomes that were identified as of significant concern. However, at the point of initial registration, when the OfS was seeking to register a large number of existing providers with existing students, we did not consider it proportionate to set

⁸ For example, www.officeforstudents.org.uk/data-and-analysis/continuation-and-transfer-rates/ and www.officeforstudents.org.uk/data-and-analysis/differences-in-student-outcomes/

⁹ See www.officeforstudents.org.uk/publications/equality-impact-assessment-regulatory-framework-for-higher-education/

the threshold at 0 per cent as this was likely to have resulted in a very large proportion of the sector not satisfying the baselines.

19. In accordance with our general duties, we analysed the likely impact of the proposed significant concern and 75 per cent baselines in order to ensure that their introduction would be proportionate. We produced charts showing the performance of every provider individually (and anonymously) against the different indicators, and we considered how many providers would fall below any potential significant concern baseline. This was done in conjunction with our analysis of the impact of setting the overall 75 per cent baseline.
20. The effect of using the significant concern baselines described above, along with the 75 per cent baseline, was that only a small number of providers in the existing regulatory system had performance that was worse than the 75 per cent baseline. We considered the baseline to be appropriate and proportionate because:
 - we have a policy ambition to improve quality in the sector
 - the context of providers falling above the 75 per cent baseline would still be considered.
21. The result of these various considerations was that baselines were set at a level that was more generous than the policy intention of ensuring a high quality bar and successful outcomes for all students regardless of their background might have allowed for. However, we took the view that, given that this is the first year of the OfS's regulation, it would be appropriate and proportionate to start with baselines which make generous allowance for differences between demographic groups and between providers. We will be reviewing whether the baselines are set at the appropriate level to protect the interests of students and plan to issue a consultation in 2020.
22. Tables 1 to 3 set out the baselines that the OfS established as the starting point for assessing whether Condition B3 was satisfied for registration with the OfS. Following consideration of performance against the baselines, the context for a provider and its students was then also considered.

Table 1: Baselines for the continuation indicator

Mode of study	Level of study	The indicator is not of concern if the proportion of the provider's students who continue their studies is more than...	The indicator may be of concern if the proportion of the provider's students who continue their studies is between...	The indicator may be of significant concern if the proportion of the provider's students who continue their studies is less than...
Full-time	PhD	90%	80% and 90%	80%
	Taught masters	90%	80% and 90%	80%
	PGCE	90%	80% and 90%	80%
	Other postgraduate	90%	80% and 90%	80%
	Undergraduate course with postgraduate elements	85%	75% and 85%	75%
	First degree	85%	75% and 85%	75%
	Other undergraduate	80%	70% and 80%	70%
Part-time	PhD	75%	60% and 75%	60%
	Taught masters	75%	60% and 75%	60%
	PGCE	75%	60% and 75%	60%
	Other postgraduate	75%	60% and 75%	60%
	Undergraduate course with postgraduate elements	70%	60% and 70%	60%
	First degree	70%	60% and 70%	60%
	Other undergraduate	70%	60% and 70%	60%

Table 2: Baselines for the differential degree outcomes indicator (applicable only to the first degree level of study)

Mode of study	The indicator is not of concern if the gap between the degree outcomes for the best and worst performing groups of students at the provider is less than...	The indicator may be of concern if the gap between the degree outcomes for the best and worst performing groups of students at the provider is between...	The indicator may be of significant concern if the gap between the degree outcomes for the best and worst performing groups of students at the provider is more than...
Full-time	30%	30% and 40%	40%
Part-time	30%	30% and 40%	40%

23. The indicator for progression to graduate employment and, in particular, progression to professional and managerial jobs and postgraduate study was only considered with reference to students studying at first degree level or higher. It was not assessed with reference to students studying at 'other undergraduate' level. This is because the progression of students studying at 'other undergraduate' level (level 4 or 5 of the Framework for Higher Education Qualifications) to a level 6 qualification (for example a top-up from a foundation degree to a Bachelors award) will not be counted positively in the indicator. This may mean that the indicator for this particular level of study does not reflect the full extent of positive outcomes that students may achieve. This indicator for 'other undergraduate' did not contribute to the consideration of the proportion of a provider's current students who are at risk of experiencing the outcome(s) that had been identified as being 'of significant concern'.

Table 3: Baselines for the professional employment or postgraduate study indicator

Mode of study	Level of study	The indicator is not of concern if the proportion of the provider's graduates who are in postgraduate study or professional jobs is more than...	The indicator may be of concern if the proportion of the provider's graduates who are in postgraduate study or professional jobs is between...	The indicator may be of significant concern if the proportion of the provider's graduates who are in postgraduate study or professional jobs is less than...
Full-time	PhD	85%	80% and 85%	80%
	Taught masters	70%	65% and 70%	65%
	PGCE	90%	80% and 90%	80%
	Other postgraduate	70%	65% and 70%	65%
	Undergraduate course with postgraduate elements	75%	65% and 75%	65%
	First degree	50%	35% and 50%	35%
Part-time	PhD	85%	80% and 85%	80%
	Taught masters	70%	65% and 70%	65%
	PGCE	90%	80% and 90%	80%
	Other postgraduate	70%	65% and 70%	65%
	Undergraduate course with postgraduate elements	75%	65% and 75%	65%
	First degree	50%	35% and 50%	35%

Table 4: Baselines for the completion indicator

Split	The indicator is not of concern if the estimate of the proportion of the provider's students who complete their studies is more than...	The indicator may be of concern if the estimate of the proportion of the provider's students who complete their studies is between...	The indicator may be of significant concern if the estimate of the proportion of the provider's students who complete their studies is less than...
Full-time undergraduate	60%	40% and 60%	40%
Full-time postgraduate	60%	40% and 60%	40%
Part-time undergraduate	50%	30% and 50%	30%
Part-time postgraduate	50%	30% and 50%	30%

24. The baselines in Table 3 were used in relation to the completion indicator. As this is a new indicator it did not contribute to our judgement about whether Condition B3 was likely to be satisfied based on the data alone, but it did inform the risk assessment of a future breach of the condition and the regulatory intervention that was applied. Again, the context of the provider and its students was taken into account in our risk assessment and before applying any regulatory intervention.