

POLICY RESPONSE

Consultation on OfS registration fees and other fees

Author date

Registration fees

1. Do you broadly agree with the proposed set of principles to underpin the registration fee funding model?

Broadly agree/Broadly disagree/Not sure

Please provide an explanation and identify any principles you feel should be removed or added to those already included in the consultation.

A key driver of the reforms included in the Higher Education and Research Bill focused on the importance of a light-touch regime that focused on risk – e.g. the higher the risk posed by the provider, the greater the level of regulation. This implied (and was also inferred by many in the sector) that the vast majority, if not all, of the established HE sector would be subject to light-touch oversight and regulation. This suggests a lower level of registration fee would be required from those providers.

The principle of provider risk is absent from the list in the consultation. Increased provider risk will require additional oversight from the Office for Students, and as such would lead to higher fees for new entrants. These new entrants would be likely to enter the sector (at least in the first instance) in the 'basic' or 'approved' category.

However, this model assumes a higher level for all providers currently able to recruit students who can access full tuition fee loans. New providers, with untested track records, are likely to pose a greater risk to their students and to the reputation of the sector. This means a higher level of regulation (e.g. more frequent visits, greater data requirements) and so should come with a higher level of fee.

2. Do you support the principle of varying the registration fee by category of registration (currently: Basic/Approved/Approved (fee cap))?

Yes/**No**/Not Sure

Please give reasons for your answer.

Our comments in response to question 1 are relevant here.

3. Do you support the proposal to measure the size of a provider by HE student numbers?

Yes/**No**/Not sure

Please give reasons for your answer and suggest any alternatives if your

answer is "No"

The size of the student cohort at a provider may mean that the impact of any issue could be greater where there are higher student numbers, but that does not automatically mean that they are at the greatest risk. The two largest institutions in England by student numbers are the Open University and the University of Manchester. The logic of the DfE's proposal is that these two universities pose the greatest risk, rather than a new, small, single subject university that has held degree awarding powers for fewer than 6 years (as an example of the kind of institution we could see in the future).

4. Do you support using a system of bands to group providers by size?

Yes/**No**/Not sure

Please give reasons for your answer.

As a piece of information, we have no issues with categorising providers by size. However, we object to this being used to impose a higher fee on those in the higher bands, as per our response to question 3.

5. Do you think that, where additional specific ongoing registration conditions are placed on particular providers, these conditions should be taken into account when calculating their registration fee?

Yes/No/Not sure

Please give reasons for your answer

A key driver of the reforms included in the Higher Education and Research Bill focused on the importance of a light-touch regime that focused on risk – e.g. the higher the risk posed by the provider, the greater the level of regulation. This implied (and was also inferred by many) that the vast majority, if not all, of the established HE sector would be subject to light-touch oversight and regulation. This suggests a lower level of registration fee would be required from those providers.

Our view is that higher fees, that may come from more onerous registration conditions, should be levied on those providers that present the most risk. Whether this risk is to their students, the provision in an area, or the reputation of the sector overall, the impact of failure will be high, even if the provider recruits a small number of students. Providers presenting the greatest risk in the new system will be those that are new entrants, rather than established providers with long-standing track records and experience of the quality oversight regime.

However, this model assumes a higher level for all providers currently able to recruit students who can access full tuition fee loans. New providers, with untested track records, are likely to pose a greater risk to their students and to the reputation of the sector. This means a higher level of regulation and registration requirements (e.g. more frequent visits, greater data requirements) and so should come with a higher level of fee.

6. Are there other variables that you think should be taken into account in the calculation of a provider's registration fee?

Yes/No/Not sure

We refer to our points about risk that we made in response to questions 1 and 5

Please give reasons for your answer and specify which variables you feel should be taken into account.

7. You are invited to provide any additional evidence on the potential impact of registration fees, including any impacts under the Public Sector Equality Duty (PSED)

Other fees

8. Based on your experience of the HE sector and/or previous interactions with HEFCE and OFFA, please provide examples relevant to your organisation or the wider sector of the types of activity that you think should be covered by 'other fees'

Please give reasons for your answer.

9. You are invited to provide any additional evidence on the potential impact of other fees, including any impacts under the Public Sector Equality Duty (PSED)

Government funding

10.

Do you broadly agree with the proposed principles that would help inform judgements around where the government might contribute funding to the OfS?

Broadly agree/Broadly disagree/Not sure

Please provide an explanation and identify any principles you feel should be removed or added to those already listed in the consultation.

The principles propose on page 22 are broadly appropriate. Where government is requesting providers do something – the two examples given of Prevent duty obligations and research and development into government priorities are appropriate – then government should be meeting those costs.

The principle of fees not deterring new entrants needs to be treated with caution.

11.

a) Are there any activities / types of activity / types of provider / provider

circumstances that you feel should be exempt from the registration fee?

Yes/No/Not Sure

Please give examples along with reasons.

b) Are there any activities / types of activity / types of provider / provider

circumstances that you feel should be partially subsidised by government?

Yes/No/Not Sure

Please give examples along with reasons.