



# **Payment of Annual Designated Quality Body Fees for 2021-22 and Reconciliation Fees for 2020-21**

**Technical Guidance for Providers whose  
Student Numbers will not be Available  
until June 2021**

**April 2021**

## Introduction

1 The Higher Education and Research Act 2017 (HERA) created the Office for Students (OfS) as the independent regulator for higher education in England. HERA also allows for the appointment of a body to act as the designated quality body (DQB) to assess the quality of, and standards applied to, higher education in England. Following recommendation by the OfS, the Quality Assurance Agency for Higher Education (QAA) was appointed by the Secretary of State as the DQB in April 2018.

2 To be registered with the OfS, a provider must satisfy a set of conditions of registration. These include conditions relating to the quality of, and standards applied to, a provider's higher education. Some of these quality and standards conditions are assessed on behalf of the OfS by QAA in its role as the DQB. In addition, the DQB provides advice to the OfS about the authorisation, variation and revocation of degree awarding powers (DAPs).

3 Section 28 of HERA provides for QAA to charge fees to providers to cover the costs of carrying out the DQB functions.

4 In performing its role as DQB, QAA charges fees to a provider each year that cover up to four distinct areas of activity:

- **Fee 1: Annual designated quality body fee** for all registered providers for:
  - infrastructure costs to support QAA's delivery of reviews to support the OfS's assessment of providers for DAPs
  - infrastructure costs to support the delivery of Quality and Standards Reviews (QSR) conducted by QAA for new providers seeking registration with the OfS and for assessing whether the ongoing conditions are satisfied for registered providers
- **Fee 2: Assessment fee** for a registered provider requiring a DAPs assessment
- **Fee 3: Assessment fee** for a new provider seeking registration and requiring a QSR
- **Fee 4: Assessment fee** for a registered provider requiring a QSR to assess whether the ongoing conditions are satisfied.

5 Section 28 requires the DQB to publish a [statement of fees](#) and the basis of calculation. For the year 2020-21, this is available on our website.<sup>1</sup> A statement of estimated fees for 2021-22 will be available prior to the notification of fees.

6 Payment of QAA's fees as the DQB is a condition of registration with the OfS. Providers can choose to pay either in full or in two instalments. Following the publication of the fee notifications for 2020-21, providers should contact QAA ([DQBfinance@qaa.ac.uk](mailto:DQBfinance@qaa.ac.uk)) and the OfS ([regulation@officeforstudents.org.uk](mailto:regulation@officeforstudents.org.uk)) if they think that, as a consequence of the coronavirus pandemic, they are going to be unable to pay their DQB fee on time.

7 QAA is not allowed to charge providers more than its costs to conduct its DQB activities. Section 28 of HERA states that the total fees payable for assessment activities and for infrastructure costs must not exceed in any 12 months the total costs incurred. It is

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<sup>1</sup> [www.qaa.ac.uk/docs/qaa/about-us/statutory-charging-statement-dqb-20-21.pdf](http://www.qaa.ac.uk/docs/qaa/about-us/statutory-charging-statement-dqb-20-21.pdf)

not possible to accurately predict the exact fee at the point of invoicing providers. This is because the total number and type of assessments or the exact cost of infrastructure services that QAA will conduct will not be known in advance. At the end of each financial year, QAA will perform a reconciliation and charge or refund providers the difference between the fees paid and the actual costs incurred. The reconciliation will cover two areas:

- **Reconciliation Fee 1:** Reconciliation charge or refund for annual DQB fee for 2020-21
- **Reconciliation Fee 2:** Reconciliation charge or refund for each assessment activity in 2020-21.

8 Section 28 of HERA also requires the DQB to publish revised statements where the amount of fees has changed. In May, once the reconciliation has been completed, the revised statement for 2020-21 will be available on the QAA website.

9 In modelling costs, in early 2019, QAA worked with the independent economic consultants - London Economics - who undertook a review to establish a reasonable estimate of QAA's costs in order to form this charging methodology. This methodology has been applied both in the calculation of the 2021-22 annual and assessment fees and the reconciliation fees for 2020-21.

## Summary

10 This guidance is for higher education providers in England that are registered with the OfS.

11 It outlines the process for payment of fees in relation to QAA's role as the DQB by providers registered with the OfS on 1 April 2021.

12 This guidance sets out:

- how fees will be calculated
- when fees are payable
- how to pay them.

13 The fee calculation timetable for the year beginning 1 April 2021 is as follows:

Action	Who is responsible?	Date
Technical guidance issued to providers	QAA	Week commencing 26 April 2021
Fee notifications for 2021-22 issued	QAA	17 June 2021
Deadline for provider representations in respect of fee notifications for 2021-22	Providers	1 July 2021
Cleared funds to be received by QAA for payments made by bank transfer	Providers	30 July 2021 for payment in full or the first 50% instalment. 30 November 2021 for the second 50% instalment.

## Annual designated quality body fees and reconciliation fees

14 Providers that are registered with the OfS will be required to pay QAA an annual DQB fee. The fee covers the period from 1 April to 31 March.

15 The annual DQB fee will vary between providers. Each provider will be placed in one of a range of fee bands based on the number of full-time equivalent (FTE) higher education students they have. A table of initially assessed annual DQB fee bands for the registration year 2021-22 is in Annex A. The fees are unchanged from the 2020-21 final fees.

16 For 2021-22, the provider's fee band will be based on the 2019-20 academic year [student number data](#) published by the OfS on their website.<sup>2</sup>

17 Providers that paid the annual DQB fee in 2020-21 will be issued a reconciliation fee 1 charge/refund. The annual reconciliation DQB fee 1 covers the difference between the estimated fee paid and the actual costs incurred.

18 The annual reconciliation DQB fee 1 will vary between providers. The fee will be based on the fee bands used as the basis for the 2020-21 fee. A table of estimated annual reconciliation DQB fee bands for the year 2021-22 is in Annex A.

19 The total estimated 2020-21 annual reconciliation fee 1 refund is £209,370 or a refund on the estimated fee charged of 8.4% per provider. This has arisen as the costs for the year are £199,370 lower than expected at £2,278,000 and changes to the number of providers on the register resulted in £10,000 of additional annual fee income. Further information will be available in the revised statement of charges to be published with the statutory fee notices.

20 Providers that joined the OfS register during the year will receive an adjusted annual reconciliation fee 1 charge/refund to reflect the number of complete months the provider has spent on the OfS register during the year 1 April 2020 to 31 March 2021.

21 Providers that were subject to an assessment in 2020-21 will be issued a reconciliation fee 2 charge/refund relating to the assessment fee that they have already paid. The reconciliation assessment fee 2 covers the difference between the estimated fees and the total actual costs incurred in performing the assessments.

22 The reconciliation assessment fee 2 will vary between providers. The fee will be weighted based on the size and type of assessment fee paid in the year. A table of estimated balancing fees for assessment activities in the year 2020-21 is in Annex A.

23 The total estimated 2020-21 reconciliation fee 2 refund for QSR assessment activity is £7,653 or a refund of 6.2% per provider for QSRs (new providers) and £2,582 or a refund of 2.9% per provider for QSRs (monitoring and intervention). A refund for Degree Awarding Power (DAP) assessments of £6,360 (17.4%) for Full DAPs; £7,676 (9.1%) for New DAPs; and £16,222 (13.8%) for Variation and Revocation DAPs. This has arisen mainly because the travel and subsistence costs per assessment activity were lower than anticipated. Further information will be available in the revised statement of charges to be published with the statutory fee notices.

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<sup>2</sup> [www.officeforstudents.org.uk/data-and-analysis/student-number-data/get-the-data](http://www.officeforstudents.org.uk/data-and-analysis/student-number-data/get-the-data)

- 24 In summary, the **total fee** charged in any given year will cover three areas:
- the **annual DQB fee** for 1 April 2021 to 31 March 2022
  - any **reconciliation fee 1** charge/refund for 1 April 2020 to 31 March 2021 in relation to the **annual DQB fee**
  - any **reconciliation fee 2** charge/refund for 1 April 2020 to 31 March 2021 in relation to **assessment activity**.

## Statutory fee notices and queries

25 We will send you a statutory fee notice which will set out the basis on which we intend to calculate your annual DQB fee along with any reconciliation fees. The statutory fee notice will be sent to the Accountable Officer and the additional contacts you provided us.

26 The statutory fee notice will be sent by email and will therefore be deemed to be received on the same day the email is sent, unless this is outside of normal working hours (after 17.00, Monday to Friday), in which case it will be assumed to have been received the following working day.

27 Please check your statutory fee notice. If you wish to make representations in relation to the fee or any of the information used to calculate it, please contact QAA's DQB finance team by email at [DQBfinance@qaa.ac.uk](mailto:DQBfinance@qaa.ac.uk) within 14 days of receipt, setting out the aspects of the fee notification you wish to make representations in relation to and why. **The deadline to make representations will therefore be 24 May 2021.**

28 If, following representations, we agree to make alterations to the statutory fee notice, you will be reissued with a new statutory fee notice and will be given a minimum of 14 days from the date of issue to pay. The exact payment date will be sent out in the new statutory fee notice.

29 Please note that the statutory fee notice can be treated as an invoice and processed in the same way as an invoice. We will not be able to quote purchase order numbers and no separate invoice will be issued.

30 In recognition of the adverse impact the coronavirus pandemic may be having on providers, we offer the option either to pay the statutory fee notice in full or in two equal instalments. Fee payments made in full are due by 30 June 2021, unless a different date is given following representations regarding the original fee notice. For providers opting to pay fee payments in instalments, the first is due on 30 June 2021 and the second on 30 November 2021. You will only receive **one** statutory fee notice for the full amount on 10 May 2021. A reminder to pay the second instalment will be issued on 1 November 2021 and therefore you will need to ensure mechanisms are in place to pay the second instalment.

## How should payments be made?

31 Payments should be made by bank transfer, using the bank details listed in Annex B.

32 Cleared funds should be paid into our account by the due date. Please note that common forms of payment instruction often take up to three working days to clear.

## **What happens next?**

33 Please ensure that your systems are fully set up to enable you to pay the appropriate statutory fee by the payment deadline. We will not be able to complete new supplier forms (or equivalent) for providers or quote specific purchase order numbers on statutory fee notices. Annex B includes all the details you will need to set up QAA as a new supplier.

34 If you have any queries, please contact the QAA DQB finance team by email at [DQBfinance@gaa.ac.uk](mailto:DQBfinance@gaa.ac.uk) or by telephone on 01452 557150.

## **Consequences of non-payment or late payment**

35 It is an ongoing condition of registration (condition G3) that all DQB fees are paid in full and in accordance with the deadlines in the Regulations. Any late payment will be reported to the OfS. The OfS may take regulatory action if fees are not paid as required.

## Annex A

### Annual DQB fee for registered providers 2021-22

Band	Student numbers (by FTE)	1 April 2021 - 31 March 2022
A	Up to 25 students	£2,120
B	26 to 50 students	£2,438
C	51 to 75 students	£2,804
D	76 to 100 students	£3,225
E	101 to 300 students	£3,708
F	301 to 500 students	£4,264
G	501 to 1,000 students	£4,904
H	1,001 to 1,500 students	£5,640
I	1,501 to 2,500 students	£6,486
J	2,501 to 5,000 students	£7,459
K	5,001 to 10,000 students	£8,577
L	10,001 to 20,000 students	£9,864
M	20,001 to 30,000 students	£11,343
N	Greater than 30,000 students	£13,045

### Balancing refund for the annual DQB fee for registered providers 2020-21

Band	Student numbers (by FTE)	1 April 2020 - 31 March 2021
A	Up to 25 students	£195
B	26 to 50 students	£224
C	51 to 75 students	£258
D	76 to 100 students	£296
E	101 to 300 students	£341
F	301 to 500 students	£392
G	501 to 1,000 students	£451
H	1,001 to 1,500 students	£518
I	1,501 to 2,500 students	£596
J	2,501 to 5,000 students	£685
K	5,001 to 10,000 students	£788
L	10,001 to 20,000 students	£906
M	20,001 to 30,000 students	£1,043
N	Greater than 30,000 students	£1,199

## Balancing refund for the assessment fee for registered providers 2020-21

### QSR activity

Fee charged	Refund due
£12,063	£746
£15,402	£953
£17,160	£1,061
£20,941	£1,295
£27,364	£1,692

### QSR (Monitoring and Intervention) activity

Fee charged	Refund due
£12,662	£366
£16,625	£481
£20,941	£605
£22,471	£650

### Degree Awarding Powers - Full DAPs

Fee charged	Refund due
£36,523	£6,360

### Degree Awarding Powers - New DAPs

Fee charged	Refund due
£15,006	£1,367

### Degree Awarding Powers - Variation and Revocation DAPs

Fee charged	Refund due
£17,025	£2,343
£20,204	£2,780
£28,069	£3,862



## **Annex B: New supplier details**

**Company name:** Quality Assurance Agency for Higher Education

**Company registration number:** 03344784

**VAT number:** N/A

**Address:** Southgate House, Southgate Street, Gloucester GL1 1UB

**Switchboard:** 01452 557000

**Email:** [DQBfinance@qaa.ac.uk](mailto:DQBfinance@qaa.ac.uk)

**Finance phone number:** 01452 557150

**Bank account name:** QAA

**Sort code:** 40-22-09

**Account number:** 92470233

**April 2021**

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Southgate House, Southgate Street, Gloucester GL1 1UB  
Registered charity numbers 1062746 and SC037786

Tel 01452 557000

Web [www.qaa.ac.uk](http://www.qaa.ac.uk)