



Payment of Annual Designated Quality Body Fee for 2020-21

**Technical Guidance for Providers
Joining the Register during the DQB Year**

September 2020

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.¹

6 Payment of QAA's fees as the DQB is a condition of registration with the OfS.

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 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 2 areas:

¹ www.qaa.ac.uk/docs/qaa/about-us/statutory-charging-statement-dqb-20-21.pdf

- **Reconciliation Fee 1:** Reconciliation charge or refund for Annual DQB fee for 2019-20
- **Reconciliation Fee 2:** Reconciliation charge or refund for each assessment activity in 2019-20.

9 Section 28 of HERA also requires the DQB to publish revised statements where the amount of fees has changed.

10 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 2020-21 annual and assessment fees.

Summary

11 This guidance is for higher education providers in England that are registered with the OfS during the DQB charging year.

12 It outlines the process for payment of fees in relation to the QAA's role as the DQB by providers registered with OfS.

13 This guidance sets out:

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

Annual designated quality body fees and reconciliation fees

14 Providers that register with the OfS after 1 April are required to pay QAA a pro-rated annual DQB fee based on the number of complete months the provider will spend on the register during the year April 2020-March 2021.

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.

16 For 2020-21, the provider's fee band will be based on the 2018-19 academic year [student number data](#) published by the OfS on their website.²

17 A table of the full year annual DQB fee bands for the registration year 2020-21 is in Annex A.

18 Providers that were subject to an assessment in 2019-20 will also 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 2019-20 is in Annex A.

² www.officeforstudents.org.uk/data-and-analysis/student-number-data/get-the-data

23 The total estimated 2019-20 reconciliation fee 2 refund for assessment activity is £1,000 or a refund of 0.4% per provider for QSRs. 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.

Statutory fee notices and queries

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

20 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 1700hrs, Monday to Friday), in which case it will be assumed to have been received the following working day.

21 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@gaa.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.

22 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.

23 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.

How should payments be made?

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

25 Cleared funds should be paid into our account by the due date. Please note that common forms of payment instruction often take up to 3 working days to clear.

What happens next?

26 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.

27 If you have any queries, please contact the QAA DQB finance team by email at DQBfinance@gaa.ac.uk or by telephone on 01452 557150.

Consequences of non-payment or late payment

28 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 2020-21

Band	Student numbers (by FTE)	1 April 2020 - 31 March 2021
A	Up to 25 students	£2,315
B	26 to 50 students	£2,662
C	51 to 75 students	£3,062
D	76 to 100 students	£3,521
E	101 to 300 students	£4,049
F	301 to 500 students	£4,656
G	501 to 1,000 students	£5,355
H	1,001 to 1,500 students	£6,158
I	1,501 to 2,500 students	£7,082
J	2,501 to 5,000 students	£8,144
K	5,001 to 10,000 students	£9,365
L	10,001 to 20,000 students	£10,770
M	20,001 to 30,000 students	£12,386
N	Greater than 30,000 students	£14,244

Balancing refund for the assessment fee for providers 2019-20

QSR activity

Fee charged	Refund due
£12,063	£46
£15,402	£59
£17,160	£65
£27,364	£104

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

Finance phone number: 01452 557150

Bank account name: QAA

Sort code: 40-22-09

Account number: 92470233

September 2020

© The Quality Assurance Agency for Higher Education 2020
Southgate House, Southgate Street, Gloucester GL1 1UB
Registered charity numbers 1062746 and SC037786

Tel 01452 557000
Web www.qaa.ac.uk