



## **Questions and Answers on the Consultation on the Fees Charged by QAA for its Work as the Designated Body in England**

**March 2019**

QAA has launched a [consultation](#) on the fees we will be charging for our work as the designated quality body in England, appointed under the provisions of the Higher Education and Research Act 2017 (HERA).

We'd like to get the views on this consultation from across the HE and FE sector. As it relates to the way in which QAA will carry out functions created by statute, it has been necessary to use some specific and technical legal terminology.

To help with your response, and to provide background and explanation of the work QAA will undertake as DQB, we have produced this Q&A to accompany the consultation. If you don't feel in a position to answer all the questions, please do answer those you wish to. The greater the volume of response we receive, the more we can ensure the DQB fees suits your institution's needs.

### **What is the DQB?**

The Higher Education and Research Act 2017 (HERA) created the Office for Students (OfS) as the independent regulator of higher education in England. In order to be registered as a higher education provider, institutions in England must be registered with the OfS, and must meet a set of conditions to enter and to stay on the register. HERA allows for an independent body to be designated as the DQB to carry out two main purposes set out in HERA. Firstly, to enable the OfS to ensure that registered providers meet the registration requirements relating to quality and standards. Secondly, to inform the OfS's decisions about degree awarding powers (DAPs). HERA allows the DQB to charge institutions for the work it undertakes to carry out these functions. QAA was designated by the Secretary of State for Education in 2018.

### **Do all registered providers have to pay a fee?**

Yes. In order to carry out its statutory functions as DQB, QAA will incur costs. HERA allows fees to be charged to providers to cover these costs.

### **How will the fees work?**

Here are two types of fee:

- an annual fee charge to all registered providers to cover the infrastructure costs of QAA's work for DAPs and for Quality Standards Review (QSR) as DQB.
- assessment fees for work with individual institutions. These will only be charged to the institution for which the work is being done.

## Does that mean I'll be charged more than one fee?

Most registered providers will pay only one annual fee. Some, such as providers applying for DAPs or for initial registration will pay both the annual fee and an assessment fee in a year. This is covered in more detail below.

## Why isn't this included in my OfS fee?

The fee paid to the OfS to carry out its functions as higher education regulator in England covers different activities that it charges for separately.

## How much will I be charged?

The consultation sets out the expected fee levels for annual fees and assessment fees. In relation to annual fees it asks for views on two potential models; a single fixed fee paid by all providers regardless of size and a banded fee determined by student numbers.

## How do I know your proposed fees are fair and accurate?

QAA as the DQB can only charge fees that reflect the costs we have incurred. We cannot make a profit from the work we carry out as DQB and cannot use DQB income to subsidise any other work we do on behalf of UK higher education.

To ensure that we are providing the best possible value to institutions, QAA has worked with independent economic consultants, London Economics, to ensure that the fee model includes only those costs that can be attributed to our work as DQB and that these are incurred economically and efficiently. Following each year of operation our fees will be externally audited.

As this is the first year that QAA has charged DQB fees, it is inevitable that there is an element of estimate in the costings. At the end of each year we will calculate the actual costs for each provider, publish statements of these, and adjust individually to reflect any over or under payment. We do not expect there to be much variation, particularly after the first year of active operation as DQB.

## So, what am I being charged for?

The **annual fee** covers infrastructure costs for DAPs, QSR costs for new providers seeking registration and the infrastructure costs of assessing whether ongoing conditions of registration are satisfied for registered providers. The infrastructure costs are those costs needed to set up and keep the service running that cannot be attributed to any individual provider.

**Assessment fees** are the costs directly incurred by individual providers for i) undergoing a DAPs assessment ii) new providers requiring a QSR and iii) registered providers undergoing an OfS assessment, such as for monitoring or for random sampling. The OfS will determine which institutions will be subject to assessment in category iii).

## Why can't this all be covered in a single annual fee?

HERA contains strict provisions preventing registered providers being charged for DQB activity that does not directly relate to that institution. This means an annual fee covering anything other than infrastructure costs is not permitted.

## **Do I still have to pay my QAA subscription fee?**

QAA is changing. We are undertaking new roles and developing new relationships to reflect and serve a rapidly changing and increasingly diverse sector. The accompanying consultation relates solely to our role as DQB in England.

In addition, from August 2019 QAA's compulsory subscription for English HE providers is being replaced by voluntary QAA membership. QAA members can benefit from a range of core services suitable for all providers, and optional enhancement services in the UK and internationally to fit your institutional priorities. We have worked closely with stakeholders from across UK higher education to develop services to meet your needs and will be inviting you, and all UK higher education providers, to give your views on our proposed new membership services and associated fees. We are particularly interested in views regarding how QAA's work relating to the UK Quality Code for Higher Education might fit into our new membership model. We are also developing our portfolio of commercial and professional services for the sector.

We hope this document answers all your questions about QAA's work as DQB. If you have any questions about the consultation, please call us on 01452 557050 or email [enquiries@qaa.ac.uk](mailto:enquiries@qaa.ac.uk).