



Designated Quality Body
in England

Designated Quality Body Reconciliation Fees for 2022-23

Technical Guidance for Providers
(following QAA's completion of its role as the DQB)

May 2023

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. **QAA completed its role as the DQB 31 March 2023.**

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 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 provided for QAA to charge fees to providers to cover the costs of carrying out the DQB functions.

4 QAA charges fees to a provider 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 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 / QSA
- **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 2022-23, this is available on our website. A revised statement of fees for 2022-23 will be available prior to the reconciliation notification.

6 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 the financial year, QAA performs a reconciliation and charge or refund providers the difference between the fees paid and the actual costs incurred. The reconciliation covers two areas:

- **Reconciliation Fee 1:** Reconciliation charge or refund for annual DQB fee for 2022-23

- **Reconciliation Fee 2:** Reconciliation charge or refund for each assessment activity in 2022-23.

7 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 2022-23 will be available on the DQB website.

8 In early 2019, QAA established a cost model which was subsequently reviewed and confirmed by the independent economic consultants, London Economics. This methodology has been applied in the calculation of the 2022-23 annual and assessment fees.

Summary

9 This guidance is for higher education providers in England that were registered with the OfS for the period 1 April 2022-31 March 2023.

10 This technical guidance differs from that of previous years. The technical guidance only sets out the process for the reconciliation of annual and assessment fees for the year-ended 31 March 2023, as QAA's role as the DQB has now ended.

11 The timetable for the processing of the reconciled position for the year ending 31 March 2023 is as follows:

Action	Who is responsible?	Date (week commencing)
Technical guidance issued to providers	QAA	2 May 2023
Statutory reconciliation notices for the year ending 31 March 2023 issued	QAA	15 May 2023
Deadline for provider representations in respect of notifications for 2022-23	Providers	30 May 2022

Annual designated quality body reconciliation fees

12 Providers that paid the annual DQB fee in 2022-23 will be issued a reconciliation fee 1 refund. The annual reconciliation DQB fee 1 covers the difference between the estimated fee paid and the actual costs incurred.

13 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 2022-23 fee. A table of estimated annual reconciliation DQB fee bands for the year 2022-23 is in Annex A.

14 The total estimated 2022-23 annual reconciliation fee 1 refund is £268,310 or a refund on the estimated fee charged of 10.52% per provider. This has arisen as the costs for the year are £249,100 lower than expected at £2,282,900 and changes to the number of providers on the register resulted in £19,210 of additional annual fee income. Further information will be available in the revised statement of charges to be published with the statutory reconciliation notices.

15 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 2022 to 31 March 2023.

16 Providers that were subject to an assessment in 2022-23 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.

17 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 completed in the year 2022-23 is in Annex A.

18 The total estimated 2022-23 reconciliation fee 2 refund for QSR assessment activity is £37,204 or a refund of 7.76% per provider for QSRs (new providers) and £4,825 or 18.21% for SA activity. This has mainly arisen due to the mix of QAA quality officers undertaking review activity and additional days allocated for the assessment activity. This is offset by savings in hotel, travel and subsistence costs. A refund for Degree Awarding Powers (DAPs) assessments of £26,833 (14.21%) for Full DAPs, £8,424 (9.81%) for New DAPs, £572 (0.67%) for Variation and Revocation DAPs, and £14,735 (8.16%) for Monitoring and Assessment 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 reconciliation notices.

Statutory reconciliation notices and queries

19 We will send you a statutory reconciliation notice which will set out the basis of the reconciliation fees. The statutory reconciliation notice will be sent to the Accountable Officer and the additional contacts you provided us.

20 Please check your statutory reconciliation notice. If you wish to make representations in relation to the reconciliation or any of the information used to calculate it, please contact QAA's finance team by email at DQBfinance@gaa.ac.uk within 14 days of receipt, setting out the aspects of the reconciliation notification you wish to make representations in relation to and why. **The deadline to make representations will therefore be 30 May 2023.**

21 If, following representations, we agree to make alterations to the statutory reconciliation notice, you will be reissued with a new statutory reconciliation notice.

How should refunds be claimed?

Refunds can either be offset against current or future QAA balances or contact DQBfinance@gaa.ac.uk to request a refund.

Annex A

Balancing refund for the annual DQB fee for registered providers 2022-23

Band	Student numbers (by FTE)	1 April 2022 - 31 March 2023
A	Up to 25 students	(£244)
B	26 to 50 students	(£281)
C	51 to 75 students	(£323)
D	76 to 100 students	(£371)
E	101 to 300 students	(£427)
F	301 to 500 students	(£491)
G	501 to 1,000 students	(£564)
H	1,001 to 1,500 students	(£649)
I	1,501 to 2,500 students	(£746)
J	2,501 to 5,000 students	(£858)
K	5,001 to 10,000 students	(£987)
L	10,001 to 20,000 students	(£1,135)
M	20,001 to 30,000 students	(£1,305)
N	Greater than 30,000 students	(£1,501)

Balancing charges/refunds for the assessment fee for registered providers 2022-23

QSR activity

Fee charged	Balancing refund
£15,402	(£1,195)
£17,160	(£1,331)
£20,941	(£1,625)
£22,419	(£1,739)
£24,427	(£1,895)
£26,435	(£2,051)
£34,268 (bespoke)	(£2,659)

Degree Awarding Powers - Full DAPs

Fee charged	Balancing refund
£980	(£139)
£1,200	(£170)
£12,926 (bespoke)	(£1,837)
£16,100 (bespoke)	(£2,288)
£27,392 (75% of full fee)	(£3,892)
£36,523	(£5,189)
£56,238	(£7,990)

Degree Awarding Powers - New DAPs

Fee charged	Balancing refund
£11,235 (bespoke)	(£1,102)
£15,006	(£1,471)
£18,326 (bespoke)	(£1,797)
£26,344	(£2,583)

Degree Awarding Powers – M&A

Fee charged	Balancing refund
£19,696.50 (Yr1) (50% of full fee)	(£1,608)
£28,305 (Yr1)	(£2,311)
£15,781 (Yr2) (50% of full fee)	(£1,288)

Degree Awarding Powers - Variation and Revocation DAPs

Fee charged	Balancing refund
£20,204	(£136)
£29,667 (bespoke)	(£199)
£35,202 (bespoke)	(£237)

Standard Assessment (SA)

Fee charged	Balancing refund
£12,063 (bespoke)	(£2,197)
£14,428	(£2,628)

May 2023

© The Designated Quality Body for Higher Education
<https://dqbengland.org.uk>