



Department for Business, Innovation & Skills

Statement on franchise arrangements for 2015-16

This statement is intended for all HEFCE-funded providers that currently have franchise arrangements in place with an alternative provider. The Education (Student Support) Regulations 2011 require all courses delivered under franchise arrangements to be specifically designated by the Secretary of State, in order for eligible students to be able to access student support. The Department is writing to HEFCE-funded providers now to clarify its position on franchise arrangements and to set out its expectations for 2015-16.

A new system of specific course designation was introduced in June 2013. At this time, the Department published its Guidance for Providers: Criteria and Conditions, including its definition of what constitutes a franchise to help HEFCE-funded providers and their partners determine which party was responsible for applying for specific course designation. Supplementary guidance was subsequently published in December 2013. In short; three conditions need to be met in order for the arrangement to be deemed a franchise for the purposes of specific course designation:

- 1) The student must register with the HEFCE-funded HEI/FEC/college.
- 2) The tuition fee must be paid to the HEFCE-funded HEI/FEC/college (including from the SLC).
- 3) The student must be included in the HEFCE-funded HEI/FEC/college HESA returns.

A full explanation of the Department's policy on franchises can be found at:

BIS Guidance (June 2013)

<https://www.gov.uk/government/publications/alternative-providers-specific-course-designation-guidance-for-applicants>

BIS Supplementary Guidance (December 2013)

<https://www.gov.uk/government/publications/alternative-higher-education-providers-specific-course-designation-criteria-and-conditions%20>

The Department recognises that some HEFCE-funded providers that have established franchises in place or that plan to start new franchise arrangements in 2015-16 may not be aware of the need for specific designation. In the light of this, the Secretary of State has taken the decision to provide blanket specific

designations for all franchised courses. This means that HEFCE-funded providers will continue to be able to add any courses delivered under franchise arrangements directly into the SLC database for 2015-16. This decision has been taken to regularise provision of franchised courses in academic year 2015/16. The Department is concerned to ensure that only courses which offer high quality for students and value for money for taxpayers receive specific course designation and will review this position for individual courses and the sector more widely should it become aware that this is not the case.

It is important to note that specific course designation is awarded at the discretion of the Secretary of State. Designation is not awarded in perpetuity and providers must meet specific criteria to maintain course designations.

It will be important that HEFCE-funded providers make accurate HESES and HEIFES returns to HEFCE that detail correctly their sub-contractual (franchise) arrangements as BIS may wish to use this information in the future to identify better franchise courses at alternative providers.



© Crown copyright 2015

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit nationalarchives.gov.uk/doc/open-government-licence/version/3 or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or email: psi@nationalarchives.gsi.gov.uk.

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

This publication is available from www.gov.uk/bis

Contacts us if you have any enquiries about this publication, including requests for alternative formats, at:

Department for Business, Innovation and Skills
1 Victoria Street
London SW1H 0ET
Tel: 020 7215 5000
Email: enquiries@bis.gsi.gov.uk

BIS/15/448