



Department
for Business
Innovation & Skills

**ALTERNATIVE PROVIDERS:
SPECIFIC COURSE DESIGNATION**

Guidance for Providers:
Supplementary Guidance to
Criteria and Conditions

MARCH 2014

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Rationale for Supplementary Guidance

1. On 5 June 2013 the Department published final guidance setting out how the system of specific designation of courses for higher education (HE) student support would be strengthened.

The guidance can be accessed

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

2. In Dec 2013 the Department published a technical note to Alternative Providers providing further detail and clarity on:

- Change of ownership and control
- Designation enforcement: Sanctions and De-Designation

The guidance can be accessed

<https://www.gov.uk/government/publications/alternative-higher-education-providers-specific-course-designation-technical-note>

3. On 5 December 2013, the Department published final guidance on Student Number Controls which will be introduced for alternative providers from academic year 2014/14

<https://www.gov.uk/government/publications/alternative-higher-education-providers-student-number-controls>

4. This document: Guidance for providers (supplementary guidance to criteria and conditions) sets out new and further detail and clarity on:

- Franchise arrangements-Update
- Postgraduate only courses -New
- Quality Assurance–Principles of the quality assurance requirement - Update
- Quality Assurance – Addressing less than successful QAA review outcomes -New
- Guidance on Student Number Controls for Alternative Providers- New, Web link only

Summary of Key Principles, Changes and Requirements

Franchise arrangements

5. Courses delivered by an alternative provider in partnership with an authority funded¹ provider (in whole, or part) must be specifically designated.
6. If the course meets the definition of a 'Franchised Course' set out in this guidance then the course will be designated in the name of the franchising institution. Where the franchising institution is authority funded, fee loans of up to £9000 may be made available. All fee loans will be paid directly by the SLC to the authority funded provider. The course must be entered on to the SLC's course database in the name of the authority funded provider.
7. If the course meets the definition of a 'validation-only' course set out in this guidance then the course will be designated in the name of the alternative provider. Fee loans of up to £6000 can be made available. All fee loans are paid directly to the alternative provider. The course must be entered on to the SLC's course database in the name of the alternative provider.
8. There are no circumstances under which fee loans of more than £6000 will be paid by the SLC to an alternative provider.
9. If you are unsure whether a course meets the definition please check with HEFCE in the first instance. BIS will determine the treatment in a particular set of circumstances.

Postgraduate courses

10. Changes for postgraduate applicants include slightly less stringent evidence requirements than those that apply for other students i.e. full time, part time, distance learning.

¹ "authority-funded" means—

(a) in relation to educational institutions in England, maintained or assisted by recurrent grants from the Higher Education Funding Council for England;

(b) in relation to educational institutions in Wales, maintained or assisted by recurrent grants from the Higher Education Funding Council for Wales;

(c) in relation to educational institutions in Scotland, maintained or assisted by recurrent grants from the Scottish Funding Council; and

(d) in relation to educational institutions in Northern Ireland, maintained or assisted by recurrent grants from the Department for Employment and Learning in Northern Ireland or the Department for Agriculture and Rural Development in Northern Ireland.”;

11. The differences between the full process and the process for providers offering postgraduate courses only are as follows:
 - There is no requirement for a QAA review
 - Three years of accounts but no requirement for these to be audited
 - No financial tables and a slimmed down version in the application which asks for student numbers, fees etc.

Principles of the Quality Assurance Requirement

12. This guidance clarifies the arrangements described on page 11 of the guidance published in June, for alternative providers who are subject to independent, external inspection or review by UK bodies other than the QAA. It clarifies that where providers undergo review for Educational Oversight by one of the bodies currently approved by the Home Office to carry out such reviews for Tier 4 purposes, they will be able to meet the quality requirement for specific course designation by also undergoing an adapted QAA review.

Addressing less than successful QAA review outcomes

13. This guidance sets out our policy for engaging with providers that demonstrate less than fully successful management of academic standards, management and/or enhancement of learning opportunities, and/or information about learning opportunities, as established by the Quality Assurance Agency for Higher Education (QAA) review processes.
14. These arrangements apply to alternative providers that have courses that are specifically designated for student support under the new arrangements (introduced in 2013, including those who have been through transition) and are in an ongoing relationship with the QAA. The arrangements do not apply to providers offering postgraduate courses only because in those cases there is no requirement for a QAA review (see paragraph 39).
15. This section should be read by existing alternative providers of higher education courses that have been specifically designated for student support and wish to maintain their designation under the new criteria and conditions. It may be of interest to alternative providers considering applying for courses to be specifically designated for student support purposes. It will also be of interest to those with validating or awarding responsibilities for higher education courses that are, or are proposed to be specifically designated for student support purposes.

Student Number Controls

16. The new guidance for academic year 2014/15 can be accessed <https://www.gov.uk/government/publications/alternative-higher-education-providers-student-number-controls>

Franchise Arrangements

Franchised and Validated-Only Provision Revised Guidance for Alternative Providers

17. Courses delivered by alternative providers in partnership with other providers (usually one with its own degree awarding powers) are classified by the Department as either “franchised” or “validation-only” provision. Any courses delivered by an alternative provider in partnership with an authority funded provider (in whole, or part) must be specifically designated. This guidance clarifies the definitions of ‘franchised’ and ‘validation-only’ provision for the purpose of specific designation, and sets out the rules that apply to each. If you are unsure a course meets the definition please check with HEFCE in the first instance. BIS will determine the treatment in a particular set of circumstances.

Franchised Courses

18. A Franchised course, for purposes relating to specific course designation and student number controls, is a course subject to an agreement by one institution (usually a provider with its own degree awarding powers) that another institution may deliver all or part of a programme approved and owned by the first institution². The franchising institution retains overall control of the programme's content, delivery, assessment and quality assurance arrangements. To qualify as franchised provision for the purpose of specific course designation, the following conditions must be met:

- A written legally binding agreement is in place between the franchising institution and the provider which sets out the terms of the franchising agreement;
- The course is registered on the Student Loans Company (SLC) HEI course database in the name of the franchising institution and the fee loan is paid to the franchising institution;
- The student is a student of the franchising institution, is included within their HESA and other data returns and when appropriate, counts against that institution's student number control (SNC) allocation;
- The student has a contractual relationship with the franchising institution for delivering the course, and

² In respect of awarding body qualifications i.e. HNDs, HNCs and Diplomas in Education and Training (DETs), the programme of study will be approved and owned by the awarding body e.g. Pearson/Edexcel, SQA, City and Guilds etc who will also be responsible for the standard of the award. The franchising institution will normally retain control over all other aspects. To be treated as franchised provision for the purpose of specific course designation will require the other conditions, set out above, to be met.

- The terms of the franchise agreement meet the expectations set out in the UK Quality Code for Higher Education (QAA) in respect of managing higher education provision with others

19. We expect students on franchised courses to be able to access the complaints procedures of the franchising institution. Where a student exhausts the complaints procedures and remains dissatisfied with the final outcome, they can contact the Office of the Independent Adjudicator for Higher Education (OIA).

20. Where the franchising institution is subject to the fee cap under the Higher Education Act 2004, the fees for a franchised course are regulated. The franchising institution may charge the student up to the basic fee level, or up to the higher level where an approved Access Agreement is in place. As the fee for the franchised course is regulated, the franchising institution must ensure that the alternative provider does not charge the student a fee above the statutory caps.

Franchised Provision and Designation Applications

21. A course which meets, in full, the conditions of franchised provision will only be subject to course eligibility checks as part of the specific designation process. The specific designation application must be submitted by the franchising institution.

22. All such courses which have met course eligibility checks will be listed on the register of designated courses and the SLC course database in the name of the franchising institution.

23. Where a course does not meet the conditions for a franchised course set out above, for example, where the alternative provider wishes to have their own SNC allocation and the student registered with them, or there is another form of partnership arrangement between the two institutions, then, irrespective of the terminology used to describe that arrangement, the course will not be treated as a franchised course and will be subject to the full specific designation arrangements. These courses will need to meet the quality and standards expected of validation-only provision (the exception will be where the alternative provider holds their own Degree Awarding Powers).

24. If the alternative provider runs a mixture of franchised and non-franchised courses, the non-franchised courses will still be subject to the full specific designation process in their own right and the students on these courses will, when appropriate, count against the alternative provider's SNC allocation.

Franchised Provision and Tuition Fee Regulation

25. Where the franchising institution is HEFCE funded, a specifically designated franchised course is a qualifying course for the purpose of the fee cap. The course fees are regulated, within the definitions of the Higher Education Act 2004, the student cannot therefore be charged a fee for the course above the higher fee cap (currently £9000 for a full-time course and £6750 for a part-time course).

26. Such courses will also be subject to any limits set out in the franchising institution's Access Agreement. In these cases we expect the course to be specifically referred

to in the approved Access Agreement between the franchising institution and the Office of Fair Access – both in the published agreement and in the accompanying tables that list course fees. In these cases students will be able to access a fee loan to cover the full cost of their course.

27. All fee income over the basic amount (currently £6000 for a full-time course and £4500 for a part-time course) received in respect of students on franchised courses must be included in the franchising institution's Access Agreement and the students on franchised courses must be able to benefit from appropriate access measures.
28. Where the course does not meet the conditions of franchised provision the fees are not regulated and providers are free to determine their own fee levels. The maximum fee loan students can access will be £6000 for a full-time course and £4500 for a part-time course.

Validation-Only Courses

29. A validation-only course, for purposes of specific course designation and student number controls, is a course subject to arrangements under which a degree-awarding body³ ('the validating organisation') judges a module or programme developed (or jointly developed with) and delivered by another organisation ('the teaching organisation') and approves it as being of an appropriate standard and quality to contribute, or lead, to one of the validating organisation's awards. Students normally have a direct contractual relationship with the alternative provider. To qualify to be treated as validation-only provision for the purpose of specific course designation the following conditions must be met:
 - A written legally binding agreement is in place between the validating organisation and the teaching organisation which set out the terms of the validating agreement;
 - The course is registered on the SLC course database in the name of the designated teaching organisation (the alternative provider) so that the fee loan is paid direct to that provider;
 - The student is a student of the designated teaching organisation (the alternative provider), counts against that organisation's student number control allocation where appropriate⁴ and, where required, will appear within their HESA returns; ,
 - The terms of the validation agreement meet the expectations set out in the UK Quality Code for Higher Education (QAA) in respect of managing higher education provision with others.

³ In respect of awarding body qualifications i.e. HNDs, HNCs and DETs the validating organisation will be the awarding body .e.g. Pearson/Edexcel, SQA or City and Guilds etc. To be treated as validated provision for the purpose of specific course designation will require the other conditions, set out above, to be met

⁴ Students on validated courses will count in respect of whether a teaching organisation can be classified a 'small provider' for purposes relating to course designation and student number controls

Transitional Arrangements

30. Providers should indicate whether they think their provision is franchised or validation-only, during the review of their existing specifically designated courses. If alternative providers are delivering a course which meets the conditions of franchised provision, then subject to agreement with the franchising institution that the arrangement will continue that course will be subject to course eligibility checks only.
31. Where providers agree that they wish existing courses to be treated as franchised provision but the course does not currently meet the above definition they will be need to be able to show that by 28 May 2014 the relevant course will satisfy the conditions of franchised provision for the 2014/15 academic year. If this is not the case the course will be treated as 'Validation-only provision' and subject to the full specific designation checks.

Summary:

32. Courses delivered by an alternative provider in partnership with an authority funded provider (in whole, or part) must be specifically designated.
33. If the course is delivered under the 'Franchising' definition set out above then students 'belong' to the authority funded provider. Fees loans of up to £9000 may be made available. All fee loans are paid directly by the SLC to the authority funded provider. The course must be entered on to the SLC's course database in the name of the authority funded provider.
34. If the course is delivered under the 'validation' model' set out above then students 'belong' to the alternative provider. Fees loans of up to £6000 can be made available. All fee loans are paid directly to the alternative provider. The course must be entered on to the SLC's course database in the name of the alternative provider
35. There are no circumstances under which fee loans of more than £6000 will be paid by the SLC to an alternative provider.

Postgraduate Only Courses

New Guidance for Postgraduate Only Courses for Alternative Providers

36. The Department is aware that a small number of providers hold **designations for Postgraduate courses only**. Following the introduction of the new designation process and criteria from academic year (AY) 2013/14, as part of the review of existing postgraduate course providers and for postgraduate providers applying for new postgraduate course designations, the Department is of the view that a lighter touch approach is more appropriate instead of applying the full new AY 2013/14 specific course designation criteria. This guidance does not apply to providers offering Postgraduate Certificate in Education courses – these are subject to separate arrangements agreed with the National College for Teaching and Leadership as described in the guidance published in June 2013.
37. This lighter touch approach will only be taken for those providers that are seeking designation of Postgraduate courses **only**. Providers offering a combination of postgraduate and undergraduate courses and seeking specific course designations for such courses will be required to meet the full new AY 2013/14 process and designation criteria.
38. This will mean less stringent evidence requirements for providers offering postgraduate courses only compared to the full process that will apply in the case of providers offering undergraduate courses or a combination of postgraduate and undergraduate courses for full time, part time, distance learning students.
39. The differences between the full process and the process for providers offering postgraduate courses only are as follow:
- There is no requirement for a QAA review
 - Three years of accounts but no requirement for these to be audited
 - No financial tables and a slimmed down version in the application which asks for student numbers, fees etc, *see below for availability of application form for postgraduate course designations*).
40. Postgraduate course providers should be aware that student number controls will not apply to postgraduate students (aside from those on “Postgraduate or Professional Graduate Certificate in Education courses”).
41. HEFCE will continue to administer postgraduate course designation applications just as with applications for specific course designation for undergraduate full-time, part-time and distance learning students. Full details of the postgraduate designation application process along with application form can be found on the HEFCE’s website <http://www.hefce.ac.uk/whatwedo/req/desig/apply/>

Quality Assurance

Principles of the quality assurance requirement

42. This section clarifies the arrangements described on page 11 of the guidance published in June, for alternative providers who are subject to independent, external inspection or review by UK bodies other than the QAA. The June guidance includes a list of review frameworks and confirms that, to avoid duplication, providers who undergo inspection/review processes through one of the review frameworks on a list maintained by the Department will be able to meet the quality requirement for specific course designation by also undergoing an adapted QAA review.
43. Below is an extended list of review frameworks. Providers should note however that this list is deliberately limited to include only review frameworks operated by the UK bodies which are currently approved by the Home Office to carry out reviews for Educational Oversight in relation to Tier 4 status. So the option of an adapted QAA review applies only to those providers who undergo review for Educational Oversight by one of the bodies in the list below. Providers that are not reviewed under one of these listed review frameworks will need to undergo a full QAA review:
- Independent Schools Inspectorate
 - Bridge Schools Inspectorate
 - Schools Inspection Service
 - Education Scotland
 - Education and Training Inspectorate
44. In the event that the Home Office changed those bodies currently approved to carry out educational oversight reviews for Tier 4 purposes, or made any substantive changes to the rules or processes for the assurance of quality, it would prompt a review of BIS arrangements.

Addressing less than successful QAA review outcomes

45. These arrangements apply to alternative providers that have courses that are specifically designated for student support under the new arrangements (introduced in 2013, including those who have been through transition) and are in an ongoing relationship with the QAA. The arrangements do not apply to providers offering postgraduate courses only because in those cases there is no requirement for a QAA review (see paragraph 39).
46. Details of QAA's Review for Specific Course Designation (RSCD) process, and on the adapted review process are set out in the QAA handbook, '[Review for Educational Oversight \(and for specific course designation\): Handbook, April 2013](#)'

Appeals against QAA judgements

47. If a provider receives a QAA judgement of less than 'confidence' or 'meets expectations' (i.e. 'limited confidence', 'requires improvement to meet UK expectations', 'no confidence', 'reliance cannot be placed' or 'does not meet UK expectations') in any of the judgement areas, it will be given an opportunity to appeal, using QAA's Consolidated Appeals Procedure before the judgement and review report is published.
48. If the provider chooses not to appeal, or appeals unsuccessfully, then the report will be published, and the QAA process for follow-up action will commence.

The process once a QAA judgement of less than 'confidence' or equivalent is confirmed

49. This process is instigated at the point of a published QAA review judgement of anything less than 'confidence', 'reliance' or less than 'meets UK expectations', depending on the type of QAA review under which the provider is assessed.
50. If a provider receives such a review judgement, they will have an opportunity to seek a further review in order to overturn that judgement and may need to meet the costs of further review. If the provider chooses not to seek a further review, then they indicate their intention to withdraw from the designation process. In those circumstances one or more of the sanctions listed in paragraph 29 of the Designation Enforcement section of the December 2013 Technical Note to Alternative Providers could be invoked i.e.
- Immediate withdrawal of the provider's course designations for all students
 - Withdrawal of the provider's designations in respect of new students
 - Issue of an enforcement notice specifying actions to be taken by the provider and the timescale for completing those actions
 - Failure to comply with an enforcement notice within the specified timescale may lead to a withdrawal of designation.

Judgements of 'limited confidence' or equivalent

51. A provider receiving a published QAA review judgement of 'limited confidence' or equivalent⁵ must supply an action plan to the QAA within 30 days of publication of the review report. The provider will need to undergo a re-review within six months of the original review. If the provider either fails to submit an action plan within the 30 days, or fails to commit to a re-review, this would indicate their intention to withdraw from the designation process and could invoke one or more of the sanctions listed in paragraph 50.

⁵ For the purposes of review for course designation, this could be a judgement of either 'limited confidence' or 'requires improvement to meet expectations', depending on the type of review

52. The provider will be expected to have made substantial progress with implementing the action plan at the time of the re-review and should have addressed the concerns that led to the limited judgements. The requirement for a re-review within six months is in the interests of maintaining a high quality experience for all students.
53. Should the re-review result in a further judgement of anything less than 'confidence', 'reliance', or 'meets expectations' in any area, the provider will be deemed to have fallen below the standard which is a prerequisite for designation for student support purposes. That would result in one or more of the sanctions listed in paragraph 50.
54. Where the enforcement proceedings lead to withdrawal of the provider's course designation, BIS would expect the provider and its validating institution(s) or awarding body to make provision for existing students to complete their studies with another approved provider.
55. Once a provider has failed a QAA re-review for the purposes of specific course designation, they cannot be reviewed again by the QAA for those purposes within 18 months.

'No confidence' and equivalent judgements

56. A provider receiving a published no confidence, or equivalent⁶, QAA review judgement must supply an action plan to the QAA within 30 days of publication of the review report. The provider will need to undergo a re-review within three months of the original review because these judgements are only reached where QAA review teams have very serious concerns about the quality of provision. These serious concerns need urgent attention and early resolution in the best interests of the students. If the provider fails to submit an action plan within the 30 days, or fails to commit to a re-review, this would result in one or more of the sanctions listed in paragraph 50.
57. The provider will be expected to have made substantial progress with implementing the action plan and by the time of the re-review should have addressed the concerns that led to the failing judgements.
58. Should the re-review result in a further judgement of anything less than 'confidence', 'reliance', or 'meets expectations' in any area, the provider will be deemed to have fallen below the quality standard which is a prerequisite for designation for student support purposes. Such cases would result in one or more of the sanctions set out in paragraph 50.
59. Should the enforcement proceedings lead to withdrawal of the provider's course designations, BIS would expect the provider and its validating institution(s) or awarding body to make provision for the students to complete their studies with another approved provider.
60. Once a provider has failed a re-review for the purposes of specific course designation, they cannot be reviewed again by the QAA for those purposes within 18 months.

⁶ For the purpose of review for course designation, this could be a judgement of either 'no confidence', 'no reliance', or 'fails to meet expectations', depending on the type of review

Monitoring visits

61. Monitoring reviews by the QAA which lead to any doubt about a provider maintaining expected levels of quality could lead to a requirement for a further review and/or to sanctions. These would be considered on a case by case basis.

Significant changes in circumstances

62. Any of the following material changes should be reported to the QAA in the provider's annual monitoring return and could trigger a monitoring visit by the QAA, at the provider's expense.

- an increase in total student numbers (international and/or domestic) by more than 50 places or 25 per cent, whichever is greater
- merger with another college or acquisition of a new branch
- a change of 50 per cent or more on the type of provision/courses offered, including changes of awarding body/organisation.
- change of address, acquisition of a new building, or extension of premises with an increase in capacity by 25 per cent or more
- change of control, ownership or significant beneficial interest which could be from a change in owners, directors or senior (see further detail in the Change of Ownership and Control section of the Technical Note to Alternative Providers published in December 2013)
- change of name
- change of 20 per cent or more of permanent teaching staff
- change of 30 per cent or more on the type of provision/course offered, including changes of awarding body/organisation.

63. Providers should note that they have similar requirements to report changes to HEFCE under the conditions and criteria of specific course designation (see BIS guidance June 2013).

Concerns about the standards and quality of higher education

64. QAA investigates concerns about the standards and quality of higher education provision raised by students, staff and other people and organisations, where QAA think these concerns indicate serious systemic or procedural problems.

65. QAA can investigate concerns about:

- academic standards – the level of achievement a student has to reach in order to achieve a particular award of qualification

- academic quality – everything that a university or college provides to ensure its students have the best possible opportunity to achieve the required standard (this includes teaching, learning resources and academic support)
 - the accuracy and completeness of the information institutions produce about their higher education provision
66. If a Concern is upheld QAA will refer this to BIS, who will review next steps on a case by case basis.

QAA reviews of validating institutions

67. If a QAA judgement of a validating institution has triggered action under HEFCE's Unsatisfactory Quality Policy, then most resulting actions should apply principally to that institution. The detail of the judgement in the QAA review report will determine whether partner providers are affected.
68. In such a case, QAA would refer to BIS where validated provision is being delivered on a designated course, to ensure that any partners delivering the provision leading to that body's awards were not adversely affected by the identified problem or by the actions taken to address them: these partners may therefore also be subject to the activity stemming from the follow-up actions. These enquiries will be treated as part of the investigations at the institution which has triggered the policy, not as an issue at the partner institution.

Communications

69. BIS and HEFCE will be informed when an alternative provider with courses designated for student support receives a published QAA review judgement of anything less than a satisfactory outcome. Review reports and judgements are published in the public domain.

Reapplying for designation

70. In circumstances where designation for some or all of its courses is removed, a provider would be eligible to reapply for specific course designation if it subsequently undergoes a successful QAA review, subject to meeting the other criteria and conditions of designation. Providers having failed a QAA review for designation purposes cannot be re-reviewed by the QAA for those purposes within 18 months.

Student Number Controls

New Guidance

71. On 5 December 2013 the Department published final guidance on Student Number Controls which will be introduced for alternative providers from academic year 2014/15. <https://www.gov.uk/government/publications/alternative-higher-education-providers-student-number-controls>

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