

Written evidence submitted by Universities UK

[Universities UK \(UUK\)](#) is the collective voice of 142 universities in England, Scotland, Wales, and Northern Ireland. Its mission is to create the conditions for UK universities to be the best in the world, maximising their positive impact locally, nationally, and globally. Universities UK acts on behalf of universities represented by their heads of institution.

Evidence from Universities UK

- 1.1. Universities are driven by a commitment to offer the high quality higher education needed to support our economy to grow and to enable students, whatever their background or circumstances, to thrive. To reach all communities, many universities (the National Audit Office (NAO) reports 114 'lead providers') are engaged in franchised or sub-contracted arrangements. This involves working with other higher education providers to deliver courses on their behalf. The proportion of students covered by these franchised providers is relatively small, approximately 5% of all higher education students, but their impact is nevertheless significant.
- 1.2. Franchised provision is frequently found in locations that would be otherwise underserved by the sector – higher education 'cold spots' – and on courses that provide specific skills matched to local needs. It plays a significant role in widening access and participation. As noted in the [National Audit Office \(NAO\) report](#), 57,470 out of 97,000 (59%) students from England studying at franchised providers were from neighbourhoods classed as high deprivation, compared with 40% of students at all providers, in 2021-22.
- 1.3. The universities, the 'lead providers', have a responsibility to ensure appropriate and robust oversight of the education delivered by the franchised provider. In England, the Office for Students (OfS) conditions of registration apply not only to the students taught directly by a university but any taught through franchised arrangements.
- 1.4. For example, this includes being accountable for the quality and standards of the courses on offer. The [OfS has announced its intention to prioritise franchise arrangements in its next wave of quality investigations linked to condition B3](#) (focused on student outcomes). This is regulation in action. Students and the public should feel confident that if universities are falling short on quality – be this in their own provision or that delivered by their franchised providers – they will face consequences. Knowing this, universities have become even more proactive in reviewing their courses against key metrics to ensure they deliver good student outcomes. The [UUK framework for programme review](#) is one way in which this is happening.
- 1.5. Reports published by the OfS following investigations into quality concerns are also helping to provide useful points of reference on what good practice looks like. Following

completion of the 2023-24 investigations into franchised provision, we would strongly encourage the OfS to publish a thematic review of its findings and lessons learned to enhance universities' understanding of potential risks.

- 1.6. The NAO report also identified several concerns, however, particularly linked to the potential for fraud in these kinds of partnerships and the potential misuse or poor use of public funds. UUK and universities take this seriously. For this reason, we are committed to supporting the sector to review and strengthen its processes.

OfS registration

- 1.7. We support the NAO's calls for the government to consider whether all franchised providers should be required to register with the OfS. We think this additional regulatory oversight would provide further assurances, not only to students and the public, but also to universities when they are looking to identify partners to work with. This is already a feature of many of our members' due diligence processes when assessing a potential partner since it gives an indication of a provider's risk profile. It would also ensure the franchised provider is fully aware of the regulation the lead provider is subject to, and therefore reassure a university that it is reviewing its activity through the same regulatory lens. There is greater likelihood of consistency in practice and understanding.

However, there are risks associated with this approach that would need to be mitigated. The NAO reports that in 2021/22, 229 (65%) of the 355 franchised providers were not registered with the OfS. As reported on by the [House of Lords Industry and Regulators Committee inquiry in to the Office for Students](#) in 2023, there have been significant challenges faced by new providers seeking to register with the regulator. There is also a burden associated with ongoing registration with the OfS, as [research commissioned by UUK](#) has found. A university, on average, has a full-time equivalent (FTE) of 17.6 dedicated solely to regulatory compliance. These present potential barriers to seeking and achieving registration. Thought therefore needs to be given to the phasing in of the requirement for franchise providers to be on the register.

- 1.8. We recommend:

- A transition timetable is introduced to allow providers seeking registration the necessary time to prepare for this process, and then to require the OfS to deal with their applications in a timely manner. We think the proposed third category of registration for providers offering Advanced Learner Loan-funded courses at levels 4-6, due to be introduced in 2027/28, could support these providers and ease the burden. The government should therefore consider how any change in requirements might be aligned with this.
- A process is introduced for assessing equivalent forms of regulation and considering where this can provide the necessary assurances in an alternative format. For example, in NHS trusts and further education colleges there is alternative regulation already in place, while higher education comprises only a small proportion of their

activity. Requirements to register with the OfS should focus on those parts of the sector that are currently unregulated.

A governance framework for franchising arrangements

1.9. We recognise that OfS registration can only ever be one part of the solution. Universities should not become complacent nor rely on registration with the OfS to assure themselves and their governing bodies. For this reason, in collaboration with our members, UUK and GuildHE are developing a new governance framework in which we will set out our expectations of how universities should be identifying risks of potential fraud or misconduct related to students in franchised partnerships. This will be underpinned by a principles-based approach to escalation and resolution, and it will draw on the good practice and lessons learned from the NAO report and government internal audit agency investigations.

1.10. The framework will consider the ‘triggers’ (through data monitoring and/or observation) which can alert providers to potentially unusual or suspect behaviour. It will set expectations that providers have robust policies and systems in place to monitor and record this data and the ability to recall and/or report on it to governing bodies. We expect this work to be completed during spring 2023 and will work with our members to embed this within their processes. In line with the recommendations of the NAO report, we believe this will also support the DfE in developing its guidance on university self-assurance and would welcome the opportunity to work with the government to explore this.

Attendance and engagement

1.11. All universities recognise the importance of students not only attending but actively engaging in their studies. This is vital to ensuring the good outcomes we want our graduates to achieve, so they can contribute to local and national growth. As the NAO report states, it is also important if we are to ensure good use of public funds via the student loans system. In the case of international students, it relates to a further requirement of Tier IV visa conditions. For this reason, attendance and engagement policies are in place across our members and universities keep records of students’ engagement. These policies are published, and students will be made aware of these throughout their studies. They are necessarily distinct to each university and sometimes to courses within universities, depending on the mode of study. They will universally, however, set out a range of metrics with which a student’s engagement is monitored and what students can expect if they do not demonstrate active engagement.

1.12. Metrics can include attendance in lectures and tutorials, the submission of assessments, engagement with resources via a virtual learning environment, use of the library and other academic facilities, and attending office hours. Universities often use this intelligence to identify if and where a student might be struggling. They will follow an intervention approach that allows them to work with a student to understand why they

have not engaged and how they can be supported. The NAO report demonstrates that fraud is rare across the sector, so we need this kind of sensitive and proportionate approach. We must be careful not to penalise students and threaten them with withdrawal until it is confirmed that it is a case of disengagement and/or misconduct.

- 1.13. We recommend that in following the NAO's suggestion, if the Department for Education (DfE) is to develop further guidance on what constitutes meaningful engagement, that the DfE first consult with the sector to understand where there might be gaps in current approaches and where further guidance is necessary. We also recommend consideration is given to whether the OfS should lead this process, and how the regulator and government can work together with the sector on this issue to avoid the complexity of similar yet distinct expectations being created.
- 1.14. We recommend that universities engaged in franchise arrangements should consider reviewing how their attendance and engagement policy applies to their franchised partners and, using the governance framework we are developing, consider any further verification and assurance that can be introduced.

Recruitment agents

- 1.15. We are aware that in recent weeks there has been growing concern about the use of recruitment agents in higher education, particularly into franchised providers. The NAO report calls on the OfS to work with the sector to ensure students are not being mis-sold degrees because of poor recruitment agent practices. [We have committed](#) to reviewing the [Agent Quality Framework \(AQF\)](#) and making recommendations to enhance the system. This will include working with our members and partners to ensure adoption of the AQF across the sector and making recommendations on how the AQF and wider UK data infrastructure can be enhanced to identify and address bad practice and improve resilience.

Foundation programmes

- 1.16. Franchised providers can be involved in the delivery of international foundation programmes (IFPs) and foundation programmes for home (UK) students. These courses have also been subject to recent interest, particularly looking at the entry requirements of these courses, the assessment methods, and their use as a progression route into undergraduate degrees. We have commissioned the Quality Assurance Agency for Higher Education (QAA) to undertake a review of IFPs. The review will compare requirements of International and Home Foundation Programmes, including entry requirements.

Working with sector agencies

- 1.17. We would like to draw attention to existing guidance that should also provide the government with confidence that the sector is committed to implementing good practice within franchised provision. This includes the [Quality Code for Higher Education](#) (2018)

which has dedicated advice and guidance on [delivering quality within partnership provision](#). While this is no longer a regulatory requirement in England, universities continue to be members of the QAA and value its resources to guide their practice. The Quality Code is [currently under review](#), and we have been working proactively with the QAA to inform future iterations, including seeking updated guidance on partnership provision.

- 1.18. The Office of the Independent Adjudicator for Higher Education (OIAHE) is [in the process of updating](#) its guidance on delivering learning opportunities with others. This provides a good framework for universities to follow, including their responsibilities to inform students of their rights and how they can complain about their experience when delivered through a franchise arrangement.

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