

# **Equalities Impact Assessment for strengthening oversight of partnership delivery in higher education**

## **Part 1: Introduction**

This document records the analysis undertaken by the Department for Education to enable Ministers to fulfil the requirements placed on them by the Public Sector Equality Duty (PSED) as set out in section 149 of the Equality Act 2010.

The PSED requires the Minister to have due regard to the need to:

1. eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act;
2. advance equality of opportunity between people who share a protected characteristic and those who do not; and
3. foster good relations between people who share a protected characteristic and those who do not.

These aims are also known as the three limbs of the PSED.

## **Part 2: Brief outline of proposed policy**

### **2a. Background**

1. Universities and other higher education providers are autonomous with a high degree of financial and academic independence. They are free to conduct commercial activities alongside teaching and research, and may create partnerships, also known as franchises, with other institutions to deliver part of its approved programme on their behalf.
2. Franchised provision has grown rapidly in recent years. Between 2018/19 and 2022/23 the number of students studying at a franchised provider more than doubled, from 50,430 to 135,850. By 2022/23 students at franchised providers represented 5.7% of all students in the higher education sector.
3. Evidence suggests that providers enter franchising arrangements for a range of reasons. This can include seeking to increase access and participation in geographical areas underserved by current HE providers, to provide specialist education, to use innovative teaching methods, or to develop additional income streams for their institution. A recent OfS insight brief on navigating financial challenges highlighted that some universities and colleges have increasingly used franchising as a way of generating income to support their financial positions.<sup>1</sup>

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<sup>1</sup> [Navigating financial challenges in higher education - Office for Students](#)

4. Providers creating the partnerships ('the lead providers') are predominantly higher education providers with an income of £200m or less. These providers account for 77% of franchised students. Higher education institutions with more than £200m in income account for 16% of franchised students. Some further education providers also subcontract out the delivery of their higher education provision.
5. Providers delivering the provision ('the delivery partners') are predominantly private companies (45%), or FE colleges, 6<sup>th</sup> form colleges, academies and schools (43%). The remainder are higher education providers and public sector bodies such as NHS Trusts and police authorities.
6. When working well, franchised provision could be a valuable contribution to this government's mission of expanding educational opportunities. Franchised provision is predominantly utilised by mature students, with 50% aged 31 or older on entry in 2022/23. Franchised provision can allow flexibility for study and enable students to study closer to home. In 2022/23, 47% were local to the provider prior to study compared to 21% in the sector as a whole. Some franchised provision offers innovative and niche educational opportunities, supporting strategically important subjects.

## **2b. Regulation of franchised provision**

7. The Higher Education and Research Act 2017 (HERA) replaced the designation and regulation of Alternative Providers by the Department with the Office for Students (OfS) registration process. The OfS is the independent regulator for higher education in England. The Education (Student support) Regulations<sup>2</sup> allow providers registered with the OfS to deliver part of their provision through unregistered providers.
8. The lead provider retains the responsibility for registering those students studying at their delivery partners, which allows those students to apply for student loan funding administered by the Student Loans Company (SLC). Tuition fees are paid to the lead provider, who pays the delivery partner in accordance with their contract. The lead provider typically retains a portion of the tuition fee. They are not required to report how much they retain. However, as highlighted in the OfS report, the OfS understand that some lead providers retained between 12.5% and 30% of the tuition fees they received.<sup>3</sup>
9. Lead providers' registration with the OfS is voluntary. However, in most cases, providers that recruit students to higher education courses must be registered with the OfS for their courses to be eligible for student finance. Current regulations allow registered higher education providers to subcontract course delivery to delivery partners. Currently, delivery partners are not required to be registered with the OfS for their courses to be designated for student finance.

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<sup>2</sup> Education (Student Support) Regulations 2011/1986.

<sup>3</sup> [Investigation into student finance for study at franchised higher education providers - NAO report](#)

## 2c. Proposed regulation

10. To ensure that the government has the necessary levers to prevent misuse of public money and act quickly in case of concerns, we are proposing that for their courses to be designated for student finance, franchised providers with 300 students or more should be registered with the OfS. Proposed exemptions to this requirement are set out in the consultation and impact assessment.
11. This approach will mean that providers with 300 or more students will only have their courses designated for student finance if they meet the OfS's conditions of registration. This will provide an additional level of regulatory protection for franchised provision. Lead providers will remain accountable for courses delivered by their franchise partners, but those courses will also be subject to direct regulation by the OfS, enabling stronger management of risk. Details of how the proposed regulation would be implemented in practice are set out in the consultation.
12. We understand that the OfS is intending to consult shortly on measures to strengthen regulation of higher education and ensure that students' investment in higher education is protected from the risk of poor quality provision and malpractice. We believe that collectively, our proposals will bring franchised providers under stronger scrutiny in a way that is proportionate to the risk.
13. Minimising regulatory burden on providers is a priority for this government and our proposal has considered this alongside the need to protect public money. For this reason, government is not currently proposing that providers with fewer than 300 students will be required to register with the OfS for their courses to be designated for student finance. Lead providers will remain accountable for this provision, as they are for all franchised provision. However, this position will be reviewed if we see concerning evidence of poor quality or misuse of public money in these smaller providers.

## **Part 3: Analysis of impacts**

### 3a. Summary of impacts on students

14. The proposed requirement to register with the OfS could have both **positive and negative impacts** on students.
15. It could lead to **a reduction in the number of places** for new students seeking to enter higher education in franchised arrangements, potentially having a negative impact on access and participation. There could be a reduction in the number of places for two reasons:
  - a) Some providers with 300 students or more may fail to meet the OfS conditions of registration and therefore be unsuccessful in registering
  - b) Some providers with 300 students or more may choose not to register because they perceive the costs to outweigh the benefits.

16. In both scenarios, providers will only be able to teach up to 299 franchised students if not registered with the OfS.
17. However, students taught through franchising arrangements are expected to benefit from an **improvement in quality**. This is because providers meeting the initial conditions of registration will be monitored by the OfS. Direct regulation should benefit the students as the delivery partner will be under greater scrutiny, and the OfS will be able to investigate when quality concerns arise and ensure they are addressed.
18. We also expect that the reduction in the number of places will largely benefit students by **ensuring that they do not enrol at providers that are not adequately serving their students**. This is because delivery providers that fail to meet the initial conditions will not be able to register and will have to reduce the number of franchised students they teach. This could reduce the number of students taught at 'low quality' providers if providers fail to register on the grounds of not meeting conditions which affect student experience and outcomes. This could therefore increase the average quality of provision for students entering franchising arrangements. The regulatory change should also act as a deterrent against setting up low quality provision.
19. The majority of places lost as a result of the policy are likely to be due to providers not meeting the minimum standards expected of HE providers. This is because the providers who do not register out of choice (who may exceed expected standards) are likely to have fewer students in excess of the threshold. Our analysis suggests that providers with up to 360 students will find that the costs of registration with the OfS outweigh the benefits, whereas larger providers are more likely to decide that registration is worth the cost. The reduction in places resulting from these decisions is likely to be small. On the other hand, it is likely that at least one provider with several thousand students (of which there are multiple) will be unsuccessful in registering. This would result in a much larger reduction in the number of places available.
20. Direct regulation of large delivery partners by the OfS will also help to tackle student finance fraud, which has been on the rise in recent years.<sup>4</sup> We have evidence that a majority of students sanctioned by the SLC in franchised arrangements are at unregistered providers with more than 300 students. By strengthening oversight of these providers, we expect to better protect public money.
21. While there may be some negative impact of the policy on students arising from a reduction in the number of places, **we believe that this negative impact is likely to be outweighed by the positive impacts** that the policy will deliver in terms of improved quality of provision.

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<sup>4</sup> [Investigation into student finance for study at franchised higher education providers - NAO report](#)

22. The mechanisms through which the policy could affect students are the same across students in all characteristic groupings, as are our plans to mitigate these impacts. Table 1 summarises these impacts and mitigations.
23. Some protected characteristic groups account for a larger proportion of franchised students than they do in the wider sector. They may therefore be disproportionately impacted in relation to advancing equality of opportunity (limb 2 of PSED) include:
- a) **Age:** mature students (aged 31+)
  - b) **Disability:** those without a disability
  - c) **Ethnicity:** white, other ethnic group, and black students
  - d) **Sex:** male students
  - e) **Sexual orientation:** those who have refused, unknown or not applicable sexual orientation or declare as not heterosexual or LGB
24. The other groups of students which may be disproportionately impacted include:
- f) Socio-economically disadvantaged students
  - g) UK-domiciled students
  - h) Students with no, unknown, or 'other' entry qualifications
  - i) Students who are less able to relocate for study
25. Protected characteristics for which we have not identified any impact under the relevant limbs of the PSED include:
- j) **Marriage & civil partnership**
26. Protected characteristics for which the impact is unknown due to lack of data include:
- k) **Gender reassignment**
  - l) **Pregnancy & maternity**
27. No impacts have been identified in relation to eliminating unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act (limb 1), or fostering good relations between people who share a protected characteristic and those who do not, for any protected characteristic.

Table 1: Expected impact of proposed policy on students and mitigation measures

Impact	Nature of impact	Scale of impact	Mitigation
<p><b>Reduced number of places at franchised provision as some unregistered delivery partners may choose not to register with the OfS.</b> These providers would not be able to recruit new franchised students until the number of franchised students that they teach falls below 300.</p>	<p><b>Negative</b></p>	<p>Based on 2022/23 data, we predict that around 4 providers would choose not to apply on the basis that the costs outweigh the benefits. We expect that this would only apply to providers with fewer than 360 students, so the number of HE places that would no longer be available (around 240 per year) would be a very small proportion of the total number of places available in the HE sector (&lt; 0.01%).</p>	<p>The OfS are committed to minimising regulatory burden, while still making sure students are protected. By setting a de minimis threshold of 299 students, we expect that for most providers affected, the income generated from delivering franchised provision will outweigh the costs of registering with the OfS.</p>
<p><b>Reduced number of places at franchised provision as some unregistered delivery partners may be unsuccessful in registering with the OfS.</b> This would occur if the OfS judges that the provider does not meet the minimum standards set out in the OfS initial conditions of registration.</p>	<p><b>Unclear</b></p>	<p>The OfS have suggested that, based on previous applications, approximately 50% of applications do not result in registration. The magnitude of the impact depends on which providers are unsuccessful, as some teach in the region of 8,000 students.</p> <p>It is possible that lead providers respond to this outcome by creating new franchising agreements with registered providers, or seek to expand their in-house provision. This could offset the effect on the number of places available.</p>	<p>Where a provider does not meet the initial conditions of registration, they are judged as not doing enough to protect students or ensure quality of provision. Enabling these providers to continue operating at their current scale is therefore unlikely to be in the best interests of students. This means that while there is nothing we can do to mitigate the risk of providers being unsuccessful, this is consistent with our policy intent.</p>

Impact	Nature of impact	Scale of impact	Mitigation
<p><b>Greater quality assurance in provision as delivery partners are directly regulated by the OfS.</b> Franchised providers have been shown to have worse outcomes than the HE sector as a whole. By requiring the registration of providers for courses to be designated for student finance, the OfS will have greater powers to act where it identifies poor quality and governance.</p>	<p><b>Positive</b></p>	<p>We do not have evidence on the potential causal impact of OfS registration on quality of provision.</p>	<p>This positive impact is part of the policy intent and is not something we would be looking to mitigate.</p>

### 3b. Analysis of impacts on protected characteristics

28. The following analysis uses data from the Office for Students on the personal characteristics of students studying at franchised providers that are not currently registered with the OfS. The data covers all students at unregistered providers, not just those we are proposing to require to register and therefore expect to register (those with 300 students or more). However, these largest providers capture over 80% of all students studying at unregistered franchised providers.
29. The student characteristics of those at unregistered providers are compared with the characteristics of all undergraduate and postgraduate students registered at OfS registered providers in England. The most recent data available covers students from the 2022/23 academic year.
30. The total number of students at unregistered franchised providers presented in this analysis will differ to those presented in other related documents as students with unknown statuses are not captured in these tables. Furthermore, the total number of students at unregistered franchised providers differ throughout this analysis due to rounding.

#### Age

31. We have identified impacts by age with regards to advancing equality of opportunity. We have not identified any impacts by age with regards to eliminating discrimination, harassment and victimisation, or fostering good relations between groups.
32. Students enrolled at franchised providers are more likely to be 31 years and over than all students in the sector (Table 2).

*Table 2: Number and proportion of franchised students at unregistered providers and all students in the sector by their age on entry to higher education in academic year 2022/23*

Age on entry	No of franchised students at unregistered providers	% of franchised students at unregistered providers	% of all undergraduate and postgraduate students	Percentage point difference
Under 31 years	40,530	53%	81%	-28
31 years and over	35,820	47%	19%	28
Total	76,350	100%	100%	0

33. There could potentially be both positive and negative impacts on students of all ages. It may lead to a reduction in the number of places available for students, which could have a disproportionate negative impact on access and participation for students over the age of 31. However, this reduction in places is expected to predominantly occur at providers that are not meeting the minimum standards expected of providers. Therefore, it could reduce the extent to which students of



all ages are exposed to substandard higher education and give students greater confidence in franchised provision. Those enrolling in franchised courses, who are more likely to be over the age of 31, will benefit from greater regulatory oversight of their education.

## Disability

34. We have identified impacts by disability with regards to advancing equality of opportunity. We have not identified any impacts by disability with regards to eliminating discrimination, harassment and victimisation, or fostering good relations between groups.
35. Students at franchised providers are proportionately more likely to have no disability reported or unknown disability type than the student population as a whole (Table 3). Therefore, franchised students are less likely to have a reported disability.

*Table 3: Number and proportion of franchised students at unregistered providers and all students in the sector by their disability type in academic year 2022/23*

Disability type	No of franchised students at unregistered providers	% of franchised students at unregistered providers	% of all undergraduate and postgraduate students	Percentage point difference
Cognitive or learning difficulties	1,730	2%	5%	-3
Mental health conditions	1,350	2%	5%	-3
Multiple or other impairments	1,240	2%	4%	-2
Sensory, medical or physical impairments	1,150	2%	2%	-1
Social or communication impairments	240	0%	1%	0
No disability reported or unknown disability type	70,650	93%	83%	9
Total	76,360	100%	100%	0

36. As outlined above, there could potentially be both positive and negative impacts on all students, including those with and without disabilities. As students with a disability are proportionately less likely to be studying at a franchised provider than in HE more generally, the impact of providers leaving the market as a result of our policy proposals are unlikely to have a disproportionate negative impact on this group of students.

## Ethnicity

37. We have identified impacts by ethnicity with regards to advancing equality of opportunity. We have not identified any impacts by ethnicity with regards to eliminating discrimination, harassment and victimisation, or fostering good relations between groups.
38. Students at franchised providers are more likely to report their ethnicity as white, other ethnicity or black than students across the HE sector (Table 4). Students in franchised provision were equally as likely to report their ethnicity as mixed and less likely to report as Asian or unknown than all students. However, the data on the ethnicity of franchised student has a higher coverage of reported ethnicity than the student population overall (19% unknown compared to 29%). It is not possible to determine the ethnicity of those where the data is unknown.

*Table 4: Number and proportion of franchised students at unregistered providers and all students in the sector by their ethnicity in academic year 2022/23*

<b>Ethnicity</b>	<b>No of franchised students at unregistered providers</b>	<b>% of franchised students at unregistered providers</b>	<b>% of all undergraduate and postgraduate students</b>	<b>Percentage point difference</b>
Asian	6,570	9%	10%	-2
Black	6,930	9%	7%	2
Mixed	2,910	4%	4%	0
Other	3,870	5%	2%	3
Unknown or not applicable	14,400	19%	29%	-10
White	41,660	55%	48%	6
Total	76,340	100%	100%	0

39. As outlined above, there could potentially be both positive and negative impacts on all students, including those belonging to different ethnic groups. As white, other ethnic group, and black students are proportionately more likely to be studying at a franchised provider than in HE more generally, they are likely to be disproportionately affected.

## Gender reassignment

40. We have not identified any impacts by gender identity with regards to eliminating discrimination, harassment and victimisation, or fostering good relations between groups.
41. We do not have any data on the gender reassignment of students in franchised provision. Therefore, we are unable to assess the extent to which there is any disproportionate impact with regards to advancing equality of opportunity. We will continue to work with the OfS to understand whether this data can be captured

and whether we can analyse the potential impact that our proposed policy position will have on those that share this protected characteristic.

### **Marriage & Civil Partnership**

42. We have not identified any impacts by marital status with regards to eliminating discrimination, harassment and victimisation. Under the PSED, the other limbs do not apply for this protected characteristic.

### **Pregnancy & Maternity**

43. We have not identified any impacts by pregnancy or maternity with regards to eliminating discrimination, harassment and victimisation, or fostering good relations between groups.

44. We do not have any data on the pregnancy or maternity status of students in franchised provision. Therefore, we are unable to assess the extent to which there is any disproportionate impact with regards to advancing equality of opportunity. We will continue to work with the OfS to understand whether this data can be captured and whether we can analyse the potential impact that our proposed policy position will have on those that share this protected characteristic.

### **Religion or belief**

45. We have identified impacts by religion or belief with regards to advancing equality of opportunity. We have not identified any impacts by religion or belief with regards to eliminating discrimination, harassment and victimisation, or fostering good relations between groups.

46. Students at franchised providers are significantly more likely to report their religion as Christian than all HE students (Table 5). On the other hand, franchised students were less likely to report as having no religion compared to all students in the sector. Franchised students were also slightly less likely to report as Hindu, Buddhist or Sikh compared to all students, and slightly more likely to report having any other religion or belief.

47. Please note this analysis uses data from the 2021/22 academic year as opposed to 2022/23 like the rest of the analysis in this assessment, however we do not expect the figures for 2022/23 to be significantly different. Sector totals also include apprentices, which are excluded from the rest of the analysis in this equalities impact assessment.

*Table 5: Number and proportion of franchised students at unregistered providers and all students in the sector by their religion or belief in academic year 2022/23*

<b>Religion or belief</b>	<b>No of franchised students at unregistered providers</b>	<b>% of franchised students at unregistered providers</b>	<b>% of all undergraduate and postgraduate students</b>	<b>Percentage point difference</b>
Any other religion or belief	1,330	2%	2%	1
Buddhist	230	0%	1%	-1
Christian	34,180	61%	26%	35
Hindu	830	1%	4%	-3
Jewish	100	0%	0%	0
Muslim	6,430	12%	11%	0
No religion	11,700	21%	39%	-18
Sikh	210	0%	1%	-1
Spiritual	690	1%	1%	0
<b>Total</b>	<b>55,700</b>	<b>100%</b>	<b>100%</b>	<b>0</b>

48. As outlined above, there could potentially be both positive and negative impacts on all students, including those with different religions or beliefs. As Christian, Muslim, and those reporting another religion or belief are proportionately more likely to be studying at a franchised provider than in HE more generally, they are likely to be disproportionately affected.

### **Sex**

49. We have identified impacts by sex with regards to advancing equality of opportunity. We have not identified any impacts by sex with regards to eliminating discrimination, harassment and victimisation, or fostering good relations between groups.

50. Students in franchised provision are more likely to be male compared to the overall student population (Table 6).

*Table 6: Number and proportion of franchised students at unregistered providers and all students in the sector by their sex in academic year 2022/23*

<b>Sex</b>	<b>No of franchised students at unregistered providers</b>	<b>% of franchised students at unregistered providers</b>	<b>% of all undergraduate and postgraduate students</b>	<b>Percentage point difference</b>
Female	40,870	54%	56%	-3
Male	35,220	46%	43%	3
Other sex or unknown	260	0%	0%	0
<b>Total</b>	<b>76,350</b>	<b>100%</b>	<b>100%</b>	<b>0</b>

51. As outlined above, there could potentially be both positive and negative impacts on all students, including those of different sexes. As male students are proportionately more likely to be studying at a franchised provider than in HE more generally, they are likely to be disproportionately affected.

### **Sexual orientation**

52. We have identified impacts by sexual orientation with regards to advancing equality of opportunity. We have not identified any impacts by sexual orientation with regards to eliminating discrimination, harassment and victimisation, or fostering good relations between groups.

53. Franchised students' sexual orientation information is more likely to be 'refused, unknown, or not applicable', or 'not heterosexual or LGB' than all students (Table 7). Furthermore, they are less likely to be heterosexual or lesbian, gay or bisexual than all students.

*Table 7: Number and proportion of franchised students at unregistered providers and all students in the sector by their sexual orientation in academic year 2022/23*

<b>Sexual Orientation</b>	<b>No of franchised students at unregistered providers</b>	<b>% of franchised students at unregistered providers</b>	<b>% of all undergraduate and postgraduate students</b>	<b>Percentage point difference</b>
Heterosexual	52,250	68%	71%	-3
Information refused, unknown or not applicable	17,820	23%	19%	5
Lesbian, gay or bisexual (LGB)	3,370	4%	8%	-4
Not heterosexual or LGB	2,920	4%	2%	2
<b>Total</b>	<b>76,360</b>	<b>100%</b>	<b>100%</b>	<b>0</b>

54. As outlined above, there could potentially be both positive and negative impacts on all students, including those of different sexual orientations. As those who have refused, unknown or not applicable sexual orientation or declare as not heterosexual or LGB are proportionately more likely to be studying at a franchised provider than in HE more generally, they are likely to be disproportionately affected.

### 3c. Analysis of impacts on other student characteristics

55. The following section considers impacts on other student attributes which are not considered protected characteristics but where we have identified disproportionate impacts on particular groups.

#### Disadvantage

56. Franchised students are more likely to come from socioeconomically disadvantaged areas than the student population as a whole (Table 8). These students are therefore likely to be disproportionately affected by the positive and negative impacts of the policy.

*Table 8: Number and proportion of franchised students at unregistered providers and all students in the sector by their deprivation quintile in academic year 2022/23*

Index of Multiple Deprivation Quintile	No of franchised students at unregistered providers	% of franchised students at unregistered providers	% of all undergraduate and postgraduate students	Percentage point difference
Quintile 1	21,530	28%	14%	14
Quintile 2	19,090	25%	14%	11
Quintile 3	12,330	16%	13%	3
Quintile 4	8,130	11%	13%	-3
Quintile 5	6,170	8%	15%	-6
Unknown or not applicable	9,130	12%	30%	-18
Total	76,380	100%	100%	0

#### Domicile

57. Franchised students are more likely to be UK-domiciled than all students in the sector (Table 9). These students are therefore likely to be disproportionately affected by the positive and negative impacts of the policy.

*Table 9: Number and proportion of franchised students at unregistered providers and all students in the sector by domicile in academic year 2022/23*

<b>Domicile</b>	<b>No of franchised students at unregistered providers</b>	<b>% of franchised students at unregistered providers</b>	<b>% of all undergraduate and postgraduate students</b>	<b>Percentage point difference</b>
UK	69,400	91%	74%	17
EU	1,340	2%	3%	-1
Other international	5,520	7%	23%	-16
Unknown	90	0%	0%	0
<b>Total</b>	<b>76,350</b>	<b>100%</b>	<b>100%</b>	<b>0</b>

### **Study location**

58. Franchised students are more likely to be local to the provider prior to entry (Table 10). This suggests that the positive and negative impacts of the policy could disproportionately affect those who are less able to relocate for study.

*Table 10: Number and proportion of franchised students at unregistered providers and all students in the sector by study location in academic year 2022/23*

<b>Study location</b>	<b>No of franchised students at unregistered providers</b>	<b>% of franchised students at unregistered providers</b>	<b>% of all undergraduate and postgraduate students</b>	<b>Percentage point difference</b>
Distance learning	2,440	3%	9%	-5
Local to address prior to entry	31,910	42%	20%	22
Not local to address prior to entry	41,490	54%	69%	-15
Unknown	510	1%	2%	-1
<b>Total</b>	<b>76,350</b>	<b>100%</b>	<b>100%</b>	<b>0</b>

### **Prior academic attainment**

59. Franchised undergraduate students are more likely to have no, unknown, or 'other' entry qualifications than all undergraduate students in the sector (Table 11). They are also more likely to have done access courses, foundation courses, or other level 3 courses at 65 tariff points or higher. They are less likely to have done A levels. These students are therefore likely to be disproportionately affected by the positive and negative impacts of the policy.

*Table 11: Number and proportion of franchised students at unregistered providers and all undergraduate students in the sector by their entry qualifications in academic year 2022/23*

Entry qualifications	No of franchised students at unregistered providers	% of franchised students at unregistered providers	% of all undergraduate and postgraduate students	Percentage point difference
Access courses, foundation courses, or other L3 at 65 tariff points or higher	19,050	29%	18%	11
A-levels	5,840	9%	45%	-36
BTECs	4,590	7%	13%	-6
HE-level qualifications on entry	5,100	8%	11%	-3
None, unknown or other entry qualifications	29,760	46%	11%	35
Other qualifications held by non-UK domiciled students	400	1%	1%	0
Total	64,740	100%	100%	0

## **Part 4: Decision making**

60. We have considered the potential disproportionate impacts on different groups of students and would particularly draw attention to the disproportionate impact mature students (aged 31+), socioeconomically disadvantaged students, UK-domiciled students, students with no, unknown, or 'other' entry qualifications, and students who are less likely to relocate for study.

61. The objective of our policy is ultimately to protect public money and to protect students from low quality education. While there may be some negative impact of the policy on students arising from a reduction in the number of places, we believe that this is likely to be outweighed by the positive impacts that the policy will deliver, both on our ability to protect public money, and on students who are likely to be disproportionately affected. We therefore intend to **proceed with consulting on our proposals as planned**. We will review this equalities impact assessment and update it following the conclusion of the consultation.

## **Part 5: Monitoring evaluation and action plan**

62. Subject to the consultation, if we proceed with the proposals we will review this regulatory change 5 years after the legislation comes into force in April 2026, i.e.



early 2031. By this time, there will be two academic years in which franchised courses' eligibility for student finance would have been affected by the requirement to register (2028/29 and 2029/30). This will allow DfE to assess the initial impact on provider registration, on instances of student finance sanctions and fraud, and (in a more limited way) on student outcomes.

63. To monitor and evaluate the impact of this policy on students, DfE will gather evidence to answer the following questions:

- a) **Has there been an increase in the number of delivery partners registering with the OfS over and above the number expected based on recent trends?** For this, we will measure the number of providers added to the OfS register, which is published in real time, who deliver higher education on behalf of another provider. We will compare this to the number of delivery partners registering with the OfS in previous years. The outcome of this will depend on providers' ability to meet the initial and ongoing conditions of registration
- b) **Has there been a sustained fall in the number of franchised students at delivery partners that are not registered with the OfS?** This will be answered based on analysis of OfS data, which is collected and shared with DfE annually. We will measure the number of franchised students at registered and unregistered delivery partners and compare this to previous years. The outcome of this will depend on how providers respond to the policy. Even if some providers choose not to, or are unable to, register, the number of franchised students at unregistered delivery partners should still fall, as these providers will only be able to accept up to 299 students.
- c) **Has there been an increase or decrease in the number of franchised students (including at registered providers) sharing protected and other student characteristics?** This will help us to understand any impacts on access and participation. This will be answered based on analysis of OfS data which is collected and shared with DfE annually.
- d) **Has there been a sustained reduction in the sanctions relating to student finance, and of student finance fraud?** SLC are already collecting this data and DfE will work with SLC and OfS to monitor cases and compare the number of students sanctioned to previous years, putting this in the context of changes to the number of students and providers in franchising arrangements. In measuring this, we will need to take into account the potential impact of improvements in controls that have been put in place to detect fraud, which could lead to an increase in the proportion of fraud that is detected.<sup>5</sup>

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<sup>5</sup> [Treasury Minutes September 2024](#)

- e) **Has there been a reduction in reports of concerns relating to the misuse of public money in franchised provision?** DfE, OfS and SLC are actively monitoring cases.
  
- f) **Have student outcomes for franchised students improved?** For this, we will use data on students' continuation, completion, and progression rates, which are published annually by the OfS. Once delivery partners are registered with the OfS, we will be able to monitor student outcomes at the level of the individual delivery partner. Because there is a lag of up to 4 years (or more, for part-time students) until some student outcomes can be observed, we will only be able to look at continuation rates at the time of our post-implementation review. We will be able to assess impacts on completion and progression in the years that follow. We will assess whether there has been a change in franchised student's continuation, completion and progression rates over time; whether there has been a change in student outcomes among providers that register with the OfS; and whether there have been changes in the gap in student outcomes between registered and unregistered delivery partners. We will also look at whether any change in outcomes varies with student characteristics.
  
- g) **Have lead providers adapted their approach to and use of franchising arrangements?** DfE will engage with providers in the sector to understand how their behaviour have changed in response to the policy.