



Department
for Education

Office for Students' fee charging model

Government consultation

Launch date: 26 May 2026

Respond by: 21 July 2026

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About this consultation

The Office for Students (OfS) is the independent regulator for higher education (HE) in England. The OfS regulatory framework sets conditions that HE providers must meet to enter and remain on its register. Registration to the OfS is voluntary; however, providers must register with the OfS to be eligible for certain benefits, including degree awarding powers, and for their students to be eligible for publicly funded student loans.

Universities and other HE providers are autonomous, with a high degree of financial, as well as academic independence.

The OfS charges registered providers fees. The fee level and structure helps to sustain the OfS and the funding must be sufficient to enable it to deliver its statutory functions. The Secretary of State is empowered to make regulations governing the fees that the OfS can charge. The precise fee amounts are determined collaboratively by the Department for Education (DfE) and the OfS. The Annual Registration Fee is calculated by the number of FTE students enrolled at a provider. Details of the 2025-26 annual OfS registration fees can be found in this document [Payment of annual OfS registration fees](#).

Secondary legislation provides discounted rates for certain categories of providers. Micro-providers are entitled to a 100% discount of the annual registration fee and new providers are entitled to a tapering discount over the first full three years of registration.

DfE is seeking views on the structure of fees charged by the OfS to HE providers in England. This consultation focuses on how the fee system is designed and distributed across providers, rather than the level of the annual registration fee itself. The level at which to set the annual registration fee is reviewed each financial year as part of the yearly business planning process to ensure a sustainable funding settlement for the OfS. These fees, alongside government funding, supports the delivery of the OfS's statutory responsibilities and the commitments set out in the Post-16 and Skills White Paper. This consultation does not propose any changes to the overall balance of funding between government and fee income. This review also responds to the recommendation in the Independent Review of the OfS, published in July 2024, which advised that DfE review the fee structure in the context of the OfS's current and planned work on efficiency and productivity.

This consultation seeks views on two areas:

Part 1: Annual Registration Fee

Mutually exclusive proposals

- **Proposal 1:** An adjustment to the current structure of the annual registration fee which reduces per FTE costs for smaller providers.
- **Proposal 2:** Replace the current banded weighting model with a structure that combines a flat fee for all providers and a variable component based on the number of FTE students.

Additional proposal that could be implemented with either Proposal 1 or Proposal 2:

- **Proposal 3:** Introduce an additional band for providers with 30,000 or more student FTE.

Part 2: Other Fees

Each of these proposals could be implemented in combination.

- **Proposal 4:** The introduction of an 'Initial Application Fee'.
- **Proposal 5:** Introduction of a more comprehensive Fee for applications for Degree Awarding Powers (DAPs) and varying DAPs.
- **Proposal 6:** Introduction of a fee for applications, initiated by the provider, for change of registration category.
- **Proposal 7:** Introduction of a fee for applications for University Title or University Title Name Change.

These proposals sit alongside, but are independent of, how the OfS regulates English higher education providers.

All proposals and policies in this consultation apply to England only.

We will consider responses to this consultation in the development of any policy related to the fees that the OfS charge and publish a summary of responses. We will explain how and why we have arrived at any policy decisions, and how we have addressed any relevant points raised by respondents. This consultation is designed to be open and formative. We welcome feedback on the specific proposals outlined below in Parts 1 and 2 of the consultation, as well as any broader reflections on fees charged by the OfS.

Key terms used in this consultation

Annual registration fee: Fee payable by a provider of higher education that is registered with the OfS for a full registration year (1 August to 31 July) under Section 70 of the Higher Education and Research Act 2017. For clarity this includes initial and ongoing registration fees as defined in The Higher Education (Registration Fees) (England) Regulations 2019.

Other fees: Fees charged by the OfS under Section 71 of the Higher Education and Research Act 2017.

Micro-provider: A registered provider with 300 or fewer FTE students that meets the Companies Act 2006 definition of a 'micro-entity'. These providers are entitled to a 100 per cent discount against initial or annual registration fees.

New provider: A provider that is new to the sector with 1,000 or fewer FTE students. These providers are entitled to a discount of between 75 per cent and 25 per cent against the registration fees, depending on how long they have been registered.

Registration year: A registration year runs from 1 August to 31 July. References to years in this guidance refer to registration years unless otherwise indicated. For example, '2025-26' refers to the period from 1 August 2025 to 31 July 2026.

Introduction

The Department for Education (DfE) is seeking views on proposed changes to the Office for Students' (OfS) fee charging model. These changes relate to the structure of annual registration fees and the introduction of new categories of Other Fees.

The proposals aim to ensure that any changes to the fee model remain fair, proportionate, and transparent for registered providers, particularly in light of wider financial pressures across the Higher Education (HE) sector.

Who this is for

This consultation is for anyone with an interest in HE in England.

Responses are particularly welcome from HE providers registered with the OfS; HE providers not registered with the OfS, but with an interest in seeking registration; HE mission and interest groups; sector and regulatory bodies; student and advocacy groups; think tanks and policy institutes focused on education; members of the public with an interest in HE or regulatory funding models. While these proposals will only directly impact HE in England, we are interested in views from stakeholders across the UK.

We are also particularly keen to hear from former, current, and prospective students, so that we can better understand the potential impacts of any proposals on them.

Issue date

The consultation was issued on 26 May 2026.

Enquiries

If your enquiry is related to the policy content of the consultation you can email the team at:

OfSFees.REVIEW@education.gov.uk

If your enquiry is related to the DfE e-consultation website or the consultation process in general, you can contact the DfE Ministerial and Public Communications Division by email: coordinator.consultations@education.gov.uk, telephone: 0370 000 2288 or via the [DfE Contact us page](#).

Additional copies

Additional copies are available electronically and can be downloaded from [GOV.UK DfE consultations](#).

The response

The results of the consultation and DfE's response will be [published on GOV.UK](#) in 2026.

Respond online

To help us analyse the responses please use the online system wherever possible. Visit [DfE consultations on GOV.UK](#) to submit your response.

Other ways to respond

If for exceptional reasons, you are unable to use the online system, for example because you use specialist accessibility software that is not compatible with the system, you may request an alternative format of the form.

By email

OfSFees.REVIEW@education.gov.uk

By post

HE Quality and Regulation Team
Department for Education
Sanctuary Buildings
Great Smith Street
London
SW1P 3BT

Deadline

The consultation closes on 21 July 2026.

Part 1: Review of the Office for Students' Annual Registration Fee

Background

The Office for Students (OfS) was established under the [Higher Education and Research Act 2017 \(HERA\)](#) as the independent regulator for higher education in England. Section 70 of the Act enables the OfS to charge annual registration fees, with the [2019 regulations](#) setting out the structure for initial and ongoing fees. Payment of this fee is a condition of registration under the [OfS Regulatory Framework](#) (condition G3).

The current fee model, developed through two government consultations in 2017 (which can be read at [Office for Students: registration fees and other fees consultation \(December 2016-March 2017\)](#) and [Office for Students: registration fees \(stage 2\) consultation \(October- December 2017\)](#)), emphasises fairness, proportionality, and transparency. Impact assessments ([Introducing registration fees for Office for Students Impact Assessment \(March 2019\)](#)) supported shifting the cost of regulation from taxpayers to providers, in line with government policy. Providers are allocated to fee bands according to full-time equivalent (FTE) student numbers, an approach chosen for its simplicity and alignment with the OfS's risk-based regulatory framework. Discounts apply for new and micro-providers which meet the relevant criteria.

Fees have been adjusted periodically to reflect inflation and new duties. In 2021, fees were reduced by 3% in response to the COVID-19 pandemic, remained broadly stable until 2023, then increased to cover new responsibilities under the [Higher Education \(Freedom of Speech\) Act 2023](#) and the transition of quality assessment functions to the OfS. A further increase in 2025 funded expanded regulatory activity, including reopening registrations, distributing grant funding, and preparation for the Lifelong Learning Entitlement.

The case for change

[The Independent Review of the OfS](#), published in July 2024, highlighted that the regulatory and policy environment in which the OfS operates has shifted considerably since its establishment. Government priorities and sector needs have expanded, requiring the OfS to take on new responsibilities. This has prompted a review of how the regulator is funded to ensure it can deliver its statutory duties and the vision set out in the Post-16 and Skills White Paper, which calls for a HE system aligned with economic growth, skills needs, regional priorities, and widening participation.

The current fee structure places a higher burden on smaller providers compared to larger ones when measured per FTE student. For example, a provider of 25 student FTE, occupying the lowest fee band currently pays £591 per FTE whereas a provider of more than 20,000 students occupying the highest fee band pays £11.14 per FTE. This raises concerns about fairness and sustainability across a diverse sector. Addressing this imbalance underpins **Proposal 1**, which seeks to adjust the weighting of the current banding model. **Proposal 2** similarly responds to concerns about proportionality, while also aiming to improve transparency by replacing the current weighting mechanism with a simpler flat-plus-variable formula. This approach is intended to make it easier for providers to understand how their fee is calculated, while ensuring all providers contribute appropriately to core regulatory costs.

Finally, introducing an additional band for providers with 30,000+ FTE students (**Proposal 3**) responds to the growing number of very large providers that currently benefit from paying proportionally less despite their scale.

Proposal and rationale

This consultation seeks views on a series of exploratory proposals relating to the structure and calculation of the annual registration fee charged by the OfS. These proposals are intended to support the development of a future fee model that is fair, proportionate, and sustainable, while supporting the OfS's ability to deliver its regulatory functions effectively. The consultation is designed to be open and formative: responses will inform the final policy decisions and help to shape any changes to the fee structure. We welcome feedback on the specific proposals outlined below, as well as broader reflections on how the registration fee should be designed to meet the needs of a diverse and evolving higher education sector.

Mutually exclusive proposals -

Proposal 1: An adjustment to the current structure of the annual registration fee which reduces costs per FTE for smaller providers.

This proposal would adjust the current formula to reduce the fees payable by smaller providers, recognising the disproportionate impact that fixed regulatory costs can have on institutions with lower FTE student numbers. The aim is to improve affordability and support sector diversity, particularly among specialist and alternative providers.

Proposal 2: Change from the current banded weighting model to a structure that combines a flat fee for all providers with a variable component based on the number of FTE students.

This proposal aims to increase proportionality in comparison to the current weighting model. The fixed element ensures that all providers contribute to the core costs of regulation, while the variable element reflects the scale of provision, provider income, and increased impact risk of larger providers. Moving away from a weighted model would also simplify calculations and make it easier for providers to understand how their fee is determined.

Additional proposal that could be implemented with either Proposal 1 or Proposal 2 –

Proposal 3: The introduction of an additional fee band for providers with 30,000 or more student FTEs.

This proposal would create a new upper band for the largest providers, reflecting both the increase in the number of the largest providers and the increased scale of potential impact risk these providers represent. It is intended to improve the proportionality in the fee structure and ensure that the largest institutions contribute appropriately to the cost of regulation.

We welcome views on each of the proposals outlined above, as well as broader reflections on the design and purpose of the annual registration fee. This consultation is exploratory, and DfE has no preferred option at this stage. Responses will play a critical role in shaping the future fee structure and informing the development of policy that is responsive to the needs of the sector. We encourage stakeholders to share their perspectives, including alternative approaches or considerations that may not be captured within the current proposals.

Technical detail of our proposals

This section outlines the operational and definitional considerations underpinning each of the proposals within Part 1 of this document. These details are intended to support respondents to understand how the proposals could be implemented and to inform responses to the questions.

Please note that the technical detail is intended to provide indicative estimates of potential outcomes under each proposal. These figures are illustrative only and should not be interpreted as final or definitive. They are based on current assumptions and available data. They are subject to change as further information becomes available or as proposals evolve.

Student numbers calculation methodology

All proposals relating to fee calculations are based on full-time equivalent (FTE) student numbers. These figures are derived from data submitted to the Designated Data Body

(DDB) covering the period 1 August to 31 July prior to the relevant registration year. This method of calculating student numbers was decided by the OfS following their 2018 consultation. The consultation is [Calculating student numbers: Consultation on the principles guiding how we will calculate student numbers for regulatory purposes](#) and the consultation response can be found at [Calculating student numbers](#).

- Only domiciled students formally registered with a provider are to be included in the calculation to ensure consistency and avoid inflating numbers with informal or non-accredited learners.
- Student numbers are to be expressed in full-time equivalents, reflecting the intensity of study rather than the mode of study. A full-time student therefore typically represents 1.0 FTE, while a part-time student is counted proportionally based on their study intensity. This allows for a more accurate reflection of regulatory burden than a simple headcount.
- Students studying wholly outside the UK are currently excluded from student number calculations due to data reliability concerns.
- The methodology includes all students aiming for credit or qualification at or above Level 4.
- The OfS committed to using existing data sources to calculate student numbers to minimise burden on providers.
- The same method of calculating student numbers is used across different regulatory functions to ensure fairness.

This consultation uses the student number calculation methodology as it currently stands.

Discounts for the Annual Registration Fee

The Office for Students offers a limited number of discounts on the Annual Registration Fee to ensure proportionality for certain types of providers. These discounts are established in secondary legislation and reflected in OfS operational guidance.

These discounts are:

Micro-provider discount

In order to qualify for this discount a micro-provider must have **300 or fewer students (FTE)** and meet at least **two** of the following 'microentity' conditions under the Companies Act 2006:

- Turnover ≤ **£1,000,000**
- Balance sheet total ≤ **£500,000**

- Average employees ≤ 10

(Charities are *not* excluded from qualifying for this discount.)

Eligible micro-providers receive a **100% discount** on both **annual** and **initial registration fees**. Other OfS or designated body fees still apply. The OfS determines eligibility, which is confirmed in the provider's fee notification.

New provider discount

In order to be eligible, a new provider must have **1,000 or fewer FTE students** and, immediately before joining the Register, must meet **all** of the following:

- Not eligible for funding under **section 65 FHEA 1992** since 1 August 2014
- Has not offered HE courses designated under **section 22 THEA 1998** since 1 August 2014
- Has not previously been a registered HE provider

Eligible providers receive a **tapering discount** on annual and initial fees – **75% to 25%** - across their first **three years** of registration. Other fees still apply. Eligibility is assessed and confirmed by the OfS.

Purpose of discounts

Discounts exist to reduce barriers of entry into the market for very small or new providers. They reflect that micro and newly registered providers often face disproportionate administrative and regulatory costs relative to their size.

Seeking feedback

Although there is no set proposal put forward in this consultation related to discounts, DfE wishes to understand whether the scope, design or impact of these discounts remains appropriate and proportionate.

Fee year definition

The registration year runs from the 1 August to the 31 July. Fees are calculated using the most recent student data published on or before the 1 July the preceding registration year.

Current banding structure

The current fee formula utilises a banding structure to place providers into one of several bands based on their full-time equivalent (FTE) student numbers. Banding is

intended to make fees proportionate by grouping providers based on student numbers. This approach means smaller providers pay less overall, while larger providers pay more, but at a lower cost per student.

Each band corresponds to a fixed fee amount. For each year, a formula is used to share the OfS total operating cost across the bands. The formula splits the cost across bands in a smooth, progressive way by calculating an uplift and weighting each band. Without weighting, the smallest providers would face disproportionately high fees, and the largest would bear an excessive share of the cost. Weighting smooths the distribution of fees across bands, balancing affordability for smaller providers and fairness for larger ones. Further technical detail on how the model operates is set out in the **Technical annex**.

Each year the band fee is subject to change for providers as the current model depends on multiple factors:

- **Total operating cost** – the overall amount the OfS needs to recover from fees in that year
- **Starting increase** – the percentage uplift between Band A and Band B, which sets the baseline for how fees rise across bands
- **Overall allowed variation** – the maximum difference allowed between the percentage increases applied across the bands, which shapes the spread of fees
- **Number of bands**
- **Provider counts** – the number of providers in each band

If any one of these elements change, fees across all bands will shift - even if an individual provider's FTE numbers remain the same.

In the illustrative tables given in the technical details of the proposals below, each band's price difference is calculated relative to the 2025-26 fee bands (Table 1). This approach illustrates how proposals might impact compared to a real-world baseline. These estimates are indicative only and should not be interpreted as final or definite. They are subject to change as further information becomes available or as proposals evolve.

Table 1: OfS Annual Registration Fee Bands 2025-26

Band	Full-time equivalent number range	Band fee
A	Not more than 25	£14,775
B	More than 25 and no more than 50	£18,283
C	More than 50 and no more than 75	£22,901
D	More than 75 and no more than 100	£28,688
E	More than 100 and no more than 300	£35,890
F	More than 300 and no more than 500	£45,001
G	More than 500 and no more than 1,000	£56,451
H	More than 1,000 and no more than 1,500	£70,857
I	More than 1,500 and no more than 2,500	£88,955
J	More than 2,500 and no more than 5,000	£111,794
K	More than 5,000 and no more than 10,000	£140,605
L	More than 10,000 and no more than 20,000	£176,987
M	More than 20,000	£222,850

Source: [Payment of annual OfS Registration Fees 2025-2026: Technical guidance for providers](#)

Proposal-specific details

Proposal 1: An adjustment to the current structure of the annual registration fee which reduces costs per FTE for smaller providers.

Potential adjustment: For this proposal, DfE are considering adjusting the weighting applied to the current annual registration fee. See Tables 2 and 3.

Table 2 reflects a small adjustment, increasing the overall allowed variation from 1ppt to 2.5ppt, while Table 3 reflects a larger adjustment, increasing it from 1ppt to 5ppt. Increasing the variation widens the gap between uplifts, meaning smaller providers face lower fees and larger providers face higher fees compared with the current model.

Justification: Sector feedback indicates that smaller providers can face proportionately higher regulatory, validation, and compliance costs relative to their student numbers. As a result, these providers often pay more per FTE student under the current fee structure. The proposed adjustment to the model is intended to moderate this discrepancy by altering the weighting so that fees are distributed more consistently across providers of different sizes.

Table 2: Proposed fee bands with a small adjustment to the weighting

Band	Full-time equivalent number range	Band fee	Band fee difference¹
A	No more than 25	£14,081	-£694
B	More than 25 but no more than 50	£17,601	-£681
C	More than 50 but no more than 75	£22,038	-£863
D	More than 75 but no more than 100	£27,639	-£1,049
E	More than 100 but no more than 300	£34,722	-£1,168
F	More than 300 but no more than 500	£43,692	-£1,309
G	More than 500 but no more than 1,000	£55,070	-£1,381
H	More than 1,000 but no more than 1,500	£69,526	-£1,331
I	More than 1,500 but no more than 2,500	£87,921	-£1,034
J	More than 2,500 but no more than 5,000	£111,367	-£427
K	More than 5,000 but no more than 10,000	£141,296	£691
L	More than 10,000 but no more than 20,000	£179,564	£2,577
M	More than 20,000	£228,570	£5,720

¹ The band fee difference shows the difference in band fee between this model and the current band fees in table 1.

Table 3: Proposed fee bands with a large adjustment to the weighting

Band	Full-time equivalent number range	Band fee	Band price difference²
A	No more than 25	£13,167	-£1,608
B	More than 25 but no more than 50	£16,459	-£1,823
C	More than 50 but no more than 75	£20,642	-£2,259
D	More than 75 but no more than 100	£25,974	-£2,714
E	More than 100 but no more than 300	£32,793	-£3,097
F	More than 300 but no more than 500	£41,537	-£3,464
G	More than 500 but no more than 1,000	£52,787	-£3,664
H	More than 1,000 but no more than 1,500	£67,304	-£3,553
I	More than 1,500 but no more than 2,500	£86,093	-£2,862
J	More than 2,500 but no more than 5,000	£110,486	-£1,308
K	More than 5,000 but no more than 10,000	£142,250	£1,645
L	More than 10,000 but no more than 20,000	£183,740	£6,753
M	More than 20,000	£238,096	£15,246

Proposal 2: A change from the current banded weighting model to a structure that combines a flat fee for all providers with a variable component based on the number of FTE students.

This proposed revision to the current banded weighting model used to calculate registration fees for providers introduces a dual-component model comprising of:

A flat fee component: A standard, flat-rate fee applicable to all registered providers. This element is designed to ensure that every provider contributes equitably to the core costs of regulation, regardless of size or income. It reflects a baseline cost that should be affordable to all providers and maintains regulatory oversight.

Variable fee component: a scalable fee based on the number of FTE students enrolled at each provider (using the Student Numbers Calculation Methodology as explained

² The band fee difference shows the difference in band fee between this model and the current band fees in table 1.

above). This component introduces proportionality by aligning the fee with the scale of provision and, indirectly, provider income. It ensures that larger providers with more students contribute more, reflecting their greater regulatory footprint.

Calculation methodology: under this proposed model, the total annual registration fee for each provider is calculated as

Total Fee = Flat Fee + Variable Fee (based on mid-point FTE of each band)

The flat amount is applied to all providers and set low enough to ensure affordability for smaller providers whilst ensuring sufficient yield for the OfS to undertake its regulatory activities.

The variable element functions similarly to how income tax bands work, but instead of income bands, it uses student FTE blocks. Each fee band is calculated using marginal rates per FTE group, applied progressively across defined FTE bands. The first 100 student FTE are charged at the highest rate, and each additional block of FTE is charged at progressively lower rates. This means that small providers pay only the highest rate, while larger provider pay more overall but at a much lower marginal rate for most of their FTE. This ensures that the total fee reflects the size of the provider whilst maintaining the predictability that banding ensures for both providers and the OfS. Please see Table 4 for illustrative fee bands for this proposal.

The flat and variable elements will be calculated based off the OfS's running costs during business planning and could be subject to change depending on fluctuations of the OfS's needs assessed annually.

Justification: This approach would ensure that larger providers pay more, but that all providers contribute to the core costs of regulation appropriately. This progressive structure, and simple formula, is also easier for providers to understand than the current model.

Table 4: New proposed fee model which incorporates a flat element and variable element

Band	Full-time equivalent number range	Band fee	Band price difference ³
A	No more than 25	£11,294	-£3,481
B	More than 25 but no more than 50	£13,624	-£4,658
C	More than 50 but no more than 75	£15,908	-£6,993
D	More than 75 but no more than 100	£18,192	-£10,496
E	More than 100 but no more than 300	£27,094	-£8,796
F	More than 300 but no more than 500	£42,626	-£2,375
G	More than 500 but no more than 1,000	£64,361	£7,910
H	More than 1,000 but no more than 1,500	£86,577	£15,720
I	More than 1,500 but no more than 2,500	£111,320	£22,365
J	More than 2,500 but no more than 5,000	£146,777	£34,983
K	More than 5,000 but no more than 10,000	£178,262	£37,657
L	More than 10,000 but no more than 20,000	£195,788	£18,801
M	More than 20,000	£205,804	-£17,046

Proposal 3: The introduction of an additional fee band for providers with 30,000 or more student FTEs.

Justification: The 30,000 FTE threshold reflects the growing number of larger providers which are currently benefiting from paying a proportionally lower annual registration fee in comparison to the regulatory oversight required due to their scale and potential impact. A small, but increasing, number of providers currently exceed this threshold, making it a relevant addition to the model.

Fee level considerations: The fee for this proposed band would use the current banding structure, adding a new band proportionally. See Table 5 for speculative fee bands for illustrative fee bands under this proposal.

³ The band fee difference shows the difference in band fee between this model and the current band fees in table 1.

Table 5: The current OfS fee bands with an additional band N for providers that have over 30,000 FTE

Band	Full-time equivalent number range	Band fee	Band price difference⁴
A	No more than 25	£14,388	-£387
B	More than 25 but no more than 50	£17,985	-£297
C	More than 50 but no more than 75	£22,495	-£406
D	More than 75 but no more than 100	£28,153	-£535
E	More than 100 but no more than 300	£35,256	-£634
F	More than 300 but no more than 500	£44,178	-£823
G	More than 500 but no more than 1,000	£55,393	-£1,058
H	More than 1,000 but no more than 1,500	£69,497	-£1,360
I	More than 1,500 but no more than 2,500	£87,245	-£1,710
J	More than 2,500 but no more than 5,000	£109,594	-£2,200
K	More than 5,000 but no more than 10,000	£137,751	-£2,854
L	More than 10,000 but no more than 20,000	£173,248	-£3,739
M	More than 20,000, but no more than 30,000	£218,026	-£4,824
N	More than 30,000	£274,545	£51,695

⁴ The band fee difference shows the difference in band fee between this model and the fee bands given in Table 1. For band N this is the difference from the counterfactual: band M in table 1.

Questions – Part 1 Proposals

1. Do you think the current annual registration fee structure is proportionate?
2. To what extent do you agree with the proposal to adjust the weighting of the current banding model as per Proposal 1?
3. For Proposal 1, which adjustment do you think is best: the smaller or larger adjustment?
4. Please provide any additional comments on Proposal 1.
5. To what extent do you agree, as per Proposal 2, with moving the existing fee structure to a model which combines a flat fee for all providers with a variable component based on the FTE student number?
6. What benefits or challenges do you foresee in implementing Proposal 2?
7. Please provide any additional comments on Proposal 2.
8. To what extent do you agree with Proposal 3, that the current banding structure should be expanded to include a new upper band for the largest providers (30,000+ FTE)?
9. What impact, if any, do you think Proposal 3 would have on the fairness and proportionality of the fee model?
10. Please provide any additional comments on Proposal 3.
11. To what extent do you agree that the current discounts (micro-provider and new provider) support fairness and proportionality within the annual registration fee model?
12. What positive or negative impacts do the current fee discounts have on your organisation, and on the sector more broadly?
13. Are there any other categories of providers who may require a discount to ensure proportionality and fairness? If so, which and why?
14. Please provide any additional comments you have on the discounts.

Part 2: Review of the Office for Students' Other Fees

Background

The OfS may charge additional fees under Section 71 of HERA for specific regulatory activities beyond those covered by the annual registration fee under Section 70. These 'other fees' must be set out in regulations made by the Secretary of State and are intended to recover costs of activities that go beyond general oversight.

So far, only two sets of fees have been introduced under Section 71:

- [The Higher Education \(Investigation Fees\) \(England\) Regulations 2022](#), which allow the OfS to recover the costs of investigations where certain outcomes are reached; and,
- [The Higher Education \(Assessment Fees\) \(England\) Regulations 2023](#), which allow charging for quality and standards assessments. These ensure that providers subject to investigations or assessments meet the associated regulatory costs, with OfS guidance explaining how such fees are calculated, communicated, and subject to representations.

Under Condition G3 of the OfS regulatory framework, providers must pay both the annual registration fee and any Section 71 fees, as well as fees levied by designated bodies. Non-payment forms a breach of registration conditions and may lead to regulatory sanctions.

The case for change

Feedback from the sector has consistently highlighted concerns about the transparency of the OfS fee model, particularly uncertainty over what activities the annual registration fee covers and how it is calculated across providers. Currently, the annual registration fee either completely or partially subsidises a range of provider-initiated activities, such as applications for Degree Awarding Powers (DAPs), voluntary changes of registration category, and initial application for registration with the OfS. This approach means that all registered providers share the costs of these bespoke services, regardless of whether they benefit from them.

In response, DfE, in collaboration with the OfS, is exploring whether these activities could be more appropriately funded through separate, activity-specific fees under Section 71 of HERA. Introducing targeted fees for discretionary processes would improve transparency by clearly distinguishing between the costs of general regulatory oversight and those of services requested by individual providers. It would also ensure

that costs are allocated appropriately to applications seeking processes that deliver direct benefits to them.

DfE recognises that some of the activities under consideration for new fees interact closely with wider government priorities for the higher education sector, including the introduction of the Lifelong Learning Entitlement (LLE), which aims to support the delivery of modular provision, greater flexibility of study and innovation. We therefore acknowledge a potential tension between introducing fees for certain provider-initiated activities and supporting participation in reforms such as the LLE, and would welcome views on how activity-specific fees might interact with these objectives and on the practical and financial impact this could have on providers, including their ability or willingness to pursue new or flexible forms of provision.

The below proposals aim to strengthen fairness and proportionality, reduce cross-subsidy, and enhance accountability for public investment. By aligning the costs of bespoke regulatory activity with the providers that initiate them, the revised approach supports a more transparent and sustainable funding model for the OfS.

Proposal and rationale

This part of the consultation sets out potential changes to how the OfS charges fees under Section 71 of HERA. The proposals aim to improve transparency and fairness by ensuring that the costs of provider-initiated regulatory activities are met by the providers requesting them, rather than being subsidised through the annual registration fee paid by all providers.

It is important to note that providers already pay fees for the quality and standards assessment elements of certain processes, such as applications for Degree Awarding Powers (DAPs), under The Higher Education (Assessment Fees) (England) Regulations 2023. The proposals set out below relate to introducing fees for the remaining regulatory activities involved in processing these and other applications, which are currently funded through the annual registration fee. For initial applications for registration, the proposed new cost-recovery fee would incorporate the quality assessment element, meaning the existing flat fee for that assessment would no longer apply.

Proposal 4: Introduction of an Initial Application Fee

Currently, providers applying to join the OfS register pay only the flat quality and standards assessment fee. This fee often does not cover the full cost of undertaking the quality assessment, and all remaining assessment and processing costs are absorbed into the annual registration fees paid by existing registered providers.

Under this proposal, the OfS would introduce a new, one-off initial application fee on a cost-recovery basis that covers the full range of regulatory activities required for an application, including the quality assessment. This new fee would replace the existing £28,463 flat quality assessment fee, ensuring that applicants meet the full cost of their registration assessment rather than these costs being supported by other providers.

Proposal 5: Introduction of a more comprehensive Fee for Applications for Degree Awarding Powers (DAPs) and varying DAPs

The process for granting DAPs involves detailed scrutiny of a provider's academic governance, quality assurance, and regulatory compliance. While providers currently pay a quality assessment fee under The Higher Education (Assessment Fees) (England) Regulations 2023, this covers only the main quality assessment aspect of the process. All other elements are currently funded by the annual registration fee paid by all registered providers. This proposal would introduce a fee to cover those additional regulatory activities, ensuring that the cost of the DAPs process is funded by the applicant. This proposal seeks to ensure that the costs associated with these complex and resource-intensive processes are fairly allocated.

Proposal 6: Introduction of a fee for applications, initiated by the provider, for change of registration category

Providers on the OfS register either occupy the 'Approved' or 'Approved (fee cap)' categories. Providers may apply to change their registration category. These applications require regulatory scrutiny to assess whether the provider continues to meet the relevant conditions of registration under the new category. This can include reviewing financial sustainability, governance, access and participation plans, amongst other factors.

Whilst any quality assessment required for this process can be charged for separately, currently the other costs of processing these applications is absorbed by the annual registration fees paid for by all registered providers. This proposal would introduce a specific fee for providers who apply to change their registration category, ensuring that the cost of this discretionary, provider-initiated process is borne by the applicant.

Proposal 7: Introduction of a fee for applications for University Title or University Title Name Change

Providers seeking to use a university title must undergo a formal assessment process, which incurs administrative and regulatory costs. At present these costs are subsidised through the annual registration fee paid by all registered providers. These

proposals would introduce a specific fee for providers applying for the right to use a university title, ensuring that the cost to the OfS of this request is covered by the applicant.

Technical detail of our proposals

This section outlines the operational and definitional considerations underpinning each of the proposals within Part 2 of this document. These details are intended to support respondents to understand how the proposals could be implemented and to inform responses to the questions.

Charging of fees under HERA Section 71

Section 71 of HERA empowers the OfS to charge fees to providers for specific activities or services it undertakes. These fees are distinct from the annual registration fees charged under Section 70. Under Section 71, and in line with regulations made by the Secretary of State, the OfS may charge for any activity carried out as part of its functions. Regulations may set out who pays the fee, the amount, when it is payable, and the consequences of non-payment. Fees may be based on the actual costs incurred by the OfS, and any regulations made under Section 71 require Treasury consent.

The Higher Education (Investigation Fees) (England) Regulations 2022 came into force in December 2022. They were the first use of Section 71 of HERA. The purpose of these regulations is to allow the OfS to recover the costs of investigations into registered HE providers. A fee under this regulation can only be charged if the following conditions are met:

- The OfS conducts an investigation into a registered providers' activities
- The investigation results in a regulatory enforcement action and/or a sanction (as specified in the regulation)

The fees are based on the actual costs incurred by the OfS during the investigation. Costs can include staff time, external advice, and other resources. The OfS must provide a breakdown and explanation of the fee to the provider.

[The OfS published guidance in 2023](#) which explains how fees under this regulation will be calculated, when and how providers will be notified, how providers can make representations or challenge the fee, and payment timelines and consequences of non-payment.

The OfS [consulted on its approach](#) to implementing these regulations in early 2023. Key concerns raised by the sector in responses to this consultation were:

- Proportionality of costs, in particular for smaller or financially vulnerable providers
- Transparency in how costs are calculated by the OfS
- Clarity in what constitutes an investigation

The Higher Education (Assessment Fees) (England) Regulations 2023 came into effect in August 2023. These regulations allow the OfS to charge fees to registered HE providers for quality and standards assessments. This change followed the de-designation of the Quality Assurance Agency (QAA) as the designated quality body in March 2023. The OfS assumed responsibility for quality and standards assessments as a result and needed a mechanism to recover the costs of these activities.

The scope of these regulations covers:

- Quality and standards assessments for initial and ongoing registration conditions relating to quality and standards of provision
- Assessments for granting, varying, or revoking DAPs
- Monitoring of time-limited DAPs authorisations.

For a quality assessment for initial quality and standards conditions, made in connection with an initial registration of a provider, a flat fee of £28,463 applies. For all other quality assessments made under these regulations, the fees are calculated based on actual costs incurred. Providers subject to these fees receive a fee statement from the OfS detailing the calculation and providers can make representations if they dispute these fees.

Cost-recovery model

Definition

A cost-recovery model sets fees to reflect the actual costs of delivering the activities to the OfS. Charges therefore vary according to the resources required. In July 2023, OfS consulted on applying cost-recovery principles for the payment of fees in relation to the Higher Education (Investigation Fees) (England) Regulations 2022. The approach agreed was that fees would include:

- Staff time (including overheads such as employer National Insurance contributions)
- Any direct external costs
- VAT

These principles form the basis for proposals 5, 6 and 7 in this consultation.

Flat fee model

Definition

A flat-fee model applies an upfront, uniform charge to all providers regardless of size, complexity, or risk. Fees are fixed and do not directly relate to regulatory effort. For example, the initial quality assessment fee currently charged by the OfS when a provider applies for registration is a flat fee of £28,643.

This model applied to proposal 8 in this consultation.

Proposal Specific Details

Proposal 4: Introduction of an Initial Application Fee

The following steps of the registration process are currently funded by the income from the annual registration fee:

- Initial review of the application for completeness
- Assessment of provider's eligibility to register
- Assessment of whether the provider satisfies the initial conditions of registration (barring quality assessment which is charged separately)
- Provider risk assessment in relation to future compliance
- Any investigatory work required including consideration of additional information and intelligence.
- Assessment decision and communication.

Fee Model: Cost recovery

Fee level: The OfS has estimated that the cost of bringing a new provider onto the register, including the costs of the quality assessment, ranges from between **£68,000 and £105,000** depending on the complexity of the case. This costing is non-inclusive of any costs to the OfS for any investigatory work (including consideration of additional information and intelligence), legal support for representations, any litigation costs in relation to OfS decisions such as refusing registration, communications and governance costs, or any overheads like IT licences.

Justification: Currently, all steps to register a new provider are funded through the annual registration fees paid by currently registered providers. Even in cases where registration is ultimately refused by the OfS, significant resources have been deployed in the making of that assessment. As the costs of assessing an initial application for registration can vary massively between cases, we are consulting on a cost recovery fee model which directly attaches the level of the fee to the regulatory effort required.

Proposal 5: Introduction of a more comprehensive fee for applications for Degree Awarding Powers (DAPs)

Types of DAPs:

Providers may apply for different types of DAPs. These include:

- Foundation Degree Awarding Powers – authorising degrees up to Level 5
- Taught Degree Awarding Powers – authorising degrees up to the level applied for (Levels 6 or 7)
- Research Degree Awarding Powers – authorising degrees at Level 8 (doctoral degrees) and research master's degrees at Level 7.

Applications may be made for New DAPs (for providers with less than three years of HE delivery) or Full DAPs (for providers with more than three years of HE delivery). New DAPs are granted on a probationary basis which involves regular monitoring and reviewing. Full DAPs involve a more extensive initial scrutiny process.

Providers with DAPs can apply to vary their authorisation e.g. those with authorisation limited to level, or limited to subjects, or time-limited can apply to have their authorisation varied, which requires a DAPs assessment (Variation DAPs).

Stages of DAPs assessments:

Currently, there is no additional fee to cover the costs of reviewing DAPs applications outside of the fee for the associated quality assessment.

DAPs assessment stages pre-quality assessment (time currently not charged for):

- Application received, checked for completeness, and initial engagement with provider.
- Eligibility and suitability assessments of New DAPs or Full DAPs applications and equivalent initial assessments for DAPs variation applications.

DAPs assessment stages post-quality assessment (time currently not charged for):

- Costs associated with governance and members of the Quality Assessment Committee (QAC) which provides advice to the OfS under section 46 of HERA, where this is required
- OfS decision making as to whether to grant DAPs and, for New DAPs monitoring assessments, OfS decision making regarding next steps in the provider's probationary period. Provider informed of decision.
- Drafting and publication DAPs order on the OfS website and .gov as a statutory instrument (this is not applicable for New DAPs monitoring assessments)

- Publication of the DAPs report on the OfS website.
- (For New DAPs) regular engagement with providers under the probationary period and regular monitoring of self-assessment submissions.

For completeness, the following stages associated with a DAPs quality assessment are already charged for under existing regulations:

- The provider briefing, appointment and training of external academics, forming the assessment team.
- Provider submission of self-assessment and evidence. Assessment team assessment activity, visits/observations, additional evidence requests, and report drafting.
- Draft DAPs assessment report goes through internal review before being shared with the provider and prepared for the QAC.
- Staff costs associated with taking the DAPs assessment report to QAC.

Fee Model: **Cost recovery**

Fee Level: The OfS has estimated that the cost of the stages not currently covered by the quality assessment fee is between **£4,000 and £15,000**, depending on the complexity of the case. This estimate related only to those additional stages and does not include the costs of the quality assessment itself.

Justification: Assessing applications for Degree Awarding Powers is a complex, multi-stage process that requires significant regulatory oversight. In addition to the quality assessment, OfS must consider a provider's eligibility and suitability for DAPs based on its risk-profile which includes its compliance with ongoing conditions. For example, a provider that is not financially sustainable is not suitable for DAPs. Currently, the OfS absorbs the cost of several stages that are not covered by the existing quality assessment fee. Introducing a dedicated cost recovery fee ensures that the applicant bears to the cost of this resource-intensive process rather than the cost being cross-subsidised by all registered providers.

Proposal 6: Introduction of a fee for applications, initiated by the provider, for change of registration category

Registration Categories: Higher education providers in England seeking registration with the OfS must apply under one of the two following distinct categories.

Approved – This category is suitable for providers that do not seek public grant funding or wish to operate with greater flexibility in student fee setting. Key features include:

- No access to OfS or UKRI public grant funding.

- Tuition fees can be uncapped, but students can only access basic-level loans from the Student Loans Company (SLC).
- Instead of an access and participation plan (APP), providers submit a statement outlining their approach to access and participation.
- Providers may apply for the ability to recruit international students and the power to award degrees (DAPs).

Approved (fee cap) – This category is suitable for providers that wish to access the full range of public benefits associated with OfS registration. It is further divided into two fee limits, depending on whether the provider wishes to charge students fees up to a higher level or a basic level only. Key points:

- Eligible for OfS and UKRI grant funding.
- If applying for Approved (fee cap) (higher) the provider must have an approved access and participation plan.
- Eligible students enrolled at these providers can access student loans via the SLC up to either the basic or the higher fee cap, depending on which fee limit applies.
- Providers may apply for the ability to recruit international students and the power to award degrees (DAPs).

The cap on student fee eligibility for both Approved and Approved (fee cap) providers depends on whether the provider has a Teaching Excellence Framework (TEF) award and an APP. Table 7 shows the student fee support options under each category.

Table 6: Student Loan Support available under each category of registration for a standard full-time course 2025

Provider Category	APP?	TEF?	Student loan support (standard full-time course)
Approved	Not required	No	£6,185
Approved	Not required	Yes	£6,355
Approved (fee cap)	Yes	No	£9,275
Approved (fee cap)	Yes	Yes	£9,535

Process of changing registration category: The majority of applications to change registration category received by the OfS are for providers wishing to move from the Approved category to the Approved (Fee cap) category. The formal process to change registration category in this way is treated as a new registration application and triggers

full reassessment under current initial conditions of registration. The steps are broadly as follows:

- Initial assessment of provider's current compliance with applicable ongoing conditions of registration.
- Initial review of the application for completeness.
- Assessment of whether the provider satisfies the initial conditions of registration (usually including a quality assessment which is charged separately).
- Provider risk assessment in relation to future compliance.
- Any investigatory work required including consideration of additional information and intelligence.
- Assessment decision and communication.

Fee Model: **Cost recovery**

Fee Level: Depending on the type of change and complexity of assessment required, the cost of this activity has been estimated by the OfS as ranging from **£4,000** (for the simplest cases where an assessment of quality and standards was not required) to a cost equivalent to an initial registration application of **£68,000 to £105,000**. The OfS will seek to save costs where possible, for example by using regulatory information the OfS already holds.

Justification: Processing applications to change registration category requires a full reassessment of the provider against initial registration conditions, including governance, financial sustainability, quality, and student protection. This is a resource-intensive process involving detailed evidence review and compliance checks, similar to a new registration application. Introducing a cost recovery fee ensures that the costs of this work are appropriately born by the requesting provider rather than cross-subsidised across all registered providers. The introduction of this fee would also be consistent with the proposal for a cost-recovery initial application fee (Proposal 5).

Proposal 7: Introduction of a fee for applications for University Title or University Title Name Change

University Title: In England, the term 'university' is legally protected as a sensitive word under the Companies Act 2006. This means that it cannot be used in the name of a company, limited liability partnership, or business without approval from the Secretary of State. Since April 2019, the OfS has the legal authority to approve the use of the word 'university' in the name of registered HE providers. Prior to the OfS taking over, university title could be granted by Royal Charter, an act of Parliament, Privy Council, or the Secretary of State under the Companies Act.

Process of application: In order for a HE provider to be eligible to apply for the use of University Title, it must:

- Be registered with the OfS.
- Satisfy all its ongoing conditions of registration.
- Have obtained authorisation to grant DAPs for taught or research awards (excluding foundation degree only DAPs).
- Have over 55% of its total FTE students studying a HE level course, of which at least 50% of those must be on courses at level 6 or above.
- Not be part of the Further Education Sector (as defined in section 83 of HERA).

Providers applying for a University Title must submit a completed application with all required information.

The provider must consult on its proposed name and submit evidence of this consultation as part of its application. The OfS makes an assessment as to whether that name may be confusing or misleading. Should the OfS consider the name to have the potential to be misleading, the provider will be asked to choose and consult on a different name.

To assess the application, the OfS will:

- check that the provider passes the HE student number threshold
- evaluate the risk profile of that provider to assess suitability
- consider any ongoing conditions of registration

If the provider is deemed by the OfS to meet the criteria, and its chosen name is suitable, the OfS write to the provider inviting them to formally change their name.

If the provider is deemed not to meet the criteria, the OfS will write to the provider giving reasons for their decision to not approve the application. The provider may apply again once it has addressed the reasons given by the OfS.

Fee Model: **Fixed fee**

Fee Level: **£11,000**

Justification: Having a university title carries strong public and international recognition and increases a provider's brand recognition and prestige. The term 'university' is associated with high quality education and better career prospects, enhancing the credibility of the provider to students and increasing recruitment. Considering these advantages, it could be argued that it is most appropriate for the provider benefiting to pay the costs of the application, rather than that cost being distributed across all registered providers. While there is some variation from application to application

regarding the costs associated with assessing a University Title or University Name Change application, it is administratively simpler to charge a fixed fee for this activity.

Questions – Part 2 Proposals

15. To what extent do you agree with Proposal 4 - that applicants should cover the cost of the initial registration to the OfS Register?
16. Do you support the Initial Application Fee (Proposal 4) being charged on a cost recovery basis?
17. Please provide any additional comments on Proposal 4.
18. To what extent do you agree with Proposal 5, that the full cost of the DAPs process should be funded by the applicant, rather than through the annual registration fee?
19. For Proposal 5, which types of DAPs should this fee apply to?
 - Foundation DAPs
 - Taught DAPs
 - Research DAPs
 - Variation of DAPs
 - All of the above
 - None of the above
20. Do you support Proposal 5's fee being charged on a cost recovery basis?
21. Please provide any additional comments on Proposal 6.
22. To what extent do you agree with Proposal 6, that applicants should cover the cost of changing their registration category?
23. Do you support Proposal 6's fee being charged on a cost recovery basis?
24. Are there any circumstances in which a provider should be exempt from paying the fee under Proposal 6?
25. Please provide any additional comments on Proposal 6.
26. To what extent do you agree with Proposal 7, that applicants should pay a fee of £11,000 to apply for University Title or University Title name changes?
27. What impact, if any, do you think the introduction of Proposal 7 might have on providers considering applying for University Title or a University Title Name Change?
28. Are there any circumstances under which a provider should be exempt from Proposal 7.
29. Please provide any additional comments on Proposal 7.

Overall questions

30. To what extent do you agree that the current approach to OfS fee charging (including the annual registration fee and other fees) is transparent and fair?
31. Do you think the proposals in this consultation would improve the transparency and fairness of the approach to fees charged by the OfS?
32. Are there any unintended consequences of the proposals that should be considered?
33. Do you have any other comments or proposals on the future design of the OfS's fee model?
34. To what extent, if any, do the level of OfS fees impact the business planning choices of HE providers?
35. To what extent, if any, do you agree that the OfS as the regulator for higher education should be reasonably and proportionately funded by those they regulate?

Annexes

Technical annex

This technical annex sets out the detailed mechanics of the OfS fee formula.

The formula is designed to determine the fees that each provider will pay so that the total across all providers adds up to the total operating cost of the OfS. It takes a number of model parameters and calculates the fees through a series of steps detailed below.

Diagram 1 (is shown on the following page):

An illustrative overview of the steps in the fee model, showing how parameters are combined to generate band-level fees⁵. These band fees are derived from the original model structure so will not match the published fees.

⁵ Figures have been rounded for presentation

Bands	Student FTE	No. of providers	Step 1: Uplift	Step 2: Weight	Step 3: Index	Step 4: Band fee
A	Up to 25	28		1.00	28.0	£14,654
B	26-50	21	25%	1.250	26.3	£18,318
C	51-75	18	25.08%	1.251	28.1	£22,912
D	76-100	18	25.17%	1.252	35.2	£28,678
E	101-300	102	25.25%	1.253	250.0	£35,920
F	301-500	46	25.33%	1.253	141.3	£45,019
G	501-1000	51	25.42%	1.254	196.5	£56,462
H	1001-1500	14	25.50%	1.255	67.7	£70,860
I	1501-2500	18	25.58%	1.256	109.3	£88,988
J	2501-5000	12	25.67%	1.257	91.6	£111,828
K	5001-10,000	15	25.75%	1.258	143.9	£140,624
L	10,001-20,000	47	25.83%	1.258	567.5	£176,952
M	20,000+	40	25.92%	1.259	608.2	£222,812
Totals	N/A	N/A	N/A	N/A	2293.7	N/A

Model parameters

The following parameters are used in the fee model:

- **Number of bands (N):** the total number of size bands in the fee structure.
- **Starting increase (θ):** the fixed percentage uplift applied between Band A and Band B.
- **Overall allowed variation (Δ):** the total permitted range in percentage uplifts across all bands.
- **Provider counts (P):** the number of providers in each band.

- **Total operating cost (C):** the total amount to be recovered through registration fees.

The model is currently implemented using the following parameter values.

- Number of bands (N): 13
- Starting increase (θ): 25 per cent
- Overall allowed variation (Δ): 1 percentage point

The following steps are used to calculate the fees;

Step 1: Uplifts

Uplifts represent the percentage difference in fees from one band to the next (25.5% on average). They are determined by three parameters fixed outside the model:

1. the expected starting increase (θ) between Band A and Band B, and
2. the overall allowed variation (Δ) across all bands, together with
3. the number of bands (N). Given N bands, this results in N–1 percentage steps between bands. The n denotes the band being calculated.

The incremental increase applied at each step is:

$$\delta = \frac{\Delta}{N - 1}$$

Uplifts are then defined as:

$$U_1 = 0, \text{ for } n = 1 \text{ there is no uplift}$$

$$U_2 = \theta, \text{ for } n = 2 \text{ the uplift is the starting increase}$$

$$U_{n+1} = U_n + \delta \text{ for } n \geq 3$$

Step 2: Weights

Each uplift is converted into a weight (W) which determines how much higher the fee is in each successive band:

$$W_n = 1 + U_n$$

Step 3: Index

Within the model, the index is used to scale how the total operating cost is distributed across the bands.

For Band A, the index value is fixed by design as the number of providers in that band:

$$I_1 = P_1$$

For all subsequent bands, the index value is calculated by multiplying the provider count by the cumulative product of weights up to that band. The k represents all bands included up to n in the calculation:

$$I_n = \left(\prod_{\{k=1\}}^{\{n\}} W_k \right) P_n \text{ for } n \geq 2$$

For example, Band B's index value equals (Weight A × Weight B) × provider counts in Band B; Band C's index value equals (Weight A × Weight B × Weight C) × provider counts in Band C, and so on for each remaining band.

All index values are then summed:

$$S = \sum_{\{n=1\}}^{\{N\}} I_n$$

Step 4: Fee calculation

Band A's fee is calculated by dividing the total operating cost by the sum of index values:

$$F_1 = \frac{C}{S}$$

Fees for all other bands are generated sequentially by applying the relevant weight:

$$F_{\{n+1\}} = F_n \cdot W_{\{n+1\}}$$

Modelled fees have then been rounded and adjusted in line with policy aims.



Department
for Education

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