

**Consultation**

**Consultation on an approach to  
world-leading  
specialist provider funding**

**This consultation runs from 20 October  
2021 to 1 December 2021.**

**Reference** OfS 2021.47

**Enquiries to** [specialists@officeforstudents.org.uk](mailto:specialists@officeforstudents.org.uk)

**Publication date** 20 October 2021

The Office for Students is the independent regulator for higher education in England. We aim to ensure that every student, whatever their background, has a fulfilling experience of higher education that enriches their lives and careers.

### **Our four regulatory objectives**

All students, from all backgrounds, and with the ability and desire to undertake higher education:

- are supported to access, succeed in, and progress from, higher education
- receive a high quality academic experience, and their interests are protected while they study or in the event of provider, campus or course closure
- are able to progress into employment or further study, and their qualifications hold their value over time
- receive value for money.

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## About this consultation

The Office for Students is consulting on our approach to world-leading specialist provider funding. This document proposes criteria to decide which providers will be eligible and how we will allocate funding. The proposals on funding relate primarily to the 2022-23 academic year. We would like to hear your views.

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### Timing

Start: **20 October 2021**

End: **1 December 2021**

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### Who should respond?

We are particularly (but not only) interested in hearing from **higher education providers that are registered, or are applying to be registered, with us in the Approved (fee cap) category**. We welcome the views of all types and size of provider.

We are also interested in the views of **representative bodies of higher education providers and their staff, student representatives, employers** and others with an interest in the finance arrangements for higher education.

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### How to respond

Please respond by 1 December 2021.

Please use the online response form available at [survey.officeforstudents.org.uk/s/specialistsconsultation/](https://survey.officeforstudents.org.uk/s/specialistsconsultation/)

If you require this document in an **alternative format**, or need assistance with the online form, please contact [digitalpublishing@officeforstudents.org.uk](mailto:digitalpublishing@officeforstudents.org.uk). **Please note:** this email address should not be used for submitting your consultation response.

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### How we will treat your response

Your response to this consultation, including any personal information you provide, may be subject to publication or disclosure under the Freedom of Information Act 2000, the Data Protection Act 2018 or the Environmental Information Regulations 2004. More information is available from the Information Commissioner's Office<sup>1</sup> or from us at [dp@officeforstudents.org.uk](mailto:dp@officeforstudents.org.uk).

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### Next steps

Subject to responses to this consultation, we expect to publish the decisions we have taken this winter. We will explain how and why we have arrived at our decisions on the approach to funding for specialist providers.

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<sup>1</sup> See: [ico.org.uk/](https://ico.org.uk/)

We will confirm to providers in spring 2022 the distribution of the remaining £5 million targeted allocation for the academic year 2021-22. Allocations to providers for the academic year 2022-23 will be announced alongside our other recurrent funding also in spring 2022.

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## Enquiries

Email [specialists@officeforstudents.org.uk](mailto:specialists@officeforstudents.org.uk)

Alternatively, call our public enquiry line on 0117 931 7317.

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For more information about our work to date on funding, please visit the OfS website.<sup>2</sup>

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<sup>2</sup> See: [www.officeforstudents.org.uk/advice-and-guidance/funding-for-providers/annual-funding/](http://www.officeforstudents.org.uk/advice-and-guidance/funding-for-providers/annual-funding/).

## Introduction

1. This consultation seeks views on the OfS's proposals for funding world-leading specialist providers from the 2022-23 academic year (1 August 2022 to 31 July 2023). It also covers how we propose to allocate £5 million that remains to be distributed to world-leading specialist providers for the 2021-22 academic year. It sets out the reasons for our proposals and what we expect them to achieve.
2. The issues discussed in this consultation relate to the OfS's powers under the Higher Education and Research Act 2017 (HERA) in relation to financial support for registered higher education providers (section 39).<sup>3</sup> Providers eligible for financial support are those registered with us in the Approved (fee cap) category.
3. In formulating our proposals, we have had regard to our general duties under section 2 of HERA, the public sector equality duty set out in section 149 of the Equality Act 2010,<sup>4</sup> and the statutory guidance letters issued by the Secretary of State.<sup>5</sup> In his letter of 25 March 2021, the Secretary of State placed a condition of grant on us relating to funding for 2021-22 for specialist providers. The guidance letter of 19 January 2021 announced the funding available to us for distribution to providers for the financial year (April to March) 2021-22 and the government's funding policies and priorities. It did not indicate the funding that might be available for subsequent financial years: these will be subject to the outcomes of the forthcoming spending review and confirmation from government.
4. We are not consulting on the total amount of funding available for distribution by the OfS for specialist providers. The £5 million that remains to be allocated for 2021-22 has been determined by the condition of grant placed on us in the statutory guidance letter of 25 March 2021. The sums to be distributed for academic year 2022-23 and beyond will be determined in the light of the OfS's future funding settlements from government, once these are known.
5. The consultation questions are listed in full in **Annex A**.
6. The OfS will make decisions on the approach to providing additional funding for world-leading specialist providers having regard to the guidance letters from government (including terms and conditions of grant that those letters place on us), the OfS's wider statutory duties, responses to this consultation and other relevant factors.

## Consultation principles

7. We are running this consultation in accordance with the government's consultation principles.<sup>6</sup>
8. At the OfS we are committed to equality and diversity in everything we do. In formulating the proposals set out in this consultation, we have had regard to those matters in section 149(1) of the Equality Act 2010 (the Public Sector Equality Duty).

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<sup>3</sup> [www.legislation.gov.uk/ukpga/2017/29/contents/enacted](http://www.legislation.gov.uk/ukpga/2017/29/contents/enacted).

<sup>4</sup> See section 149 of the Equality Act 2010 ([www.legislation.gov.uk/ukpga/2010/15/section/149](http://www.legislation.gov.uk/ukpga/2010/15/section/149))

<sup>5</sup> Available from: [www.officeforstudents.org.uk/advice-and-guidance/regulation/guidance-from-government/](http://www.officeforstudents.org.uk/advice-and-guidance/regulation/guidance-from-government/).

<sup>6</sup> See: [www.gov.uk/government/publications/consultation-principles-guidance](http://www.gov.uk/government/publications/consultation-principles-guidance).

## Technical and other terms used in this consultation

9. **Funding** and **grant(s)** are used synonymously in this document to mean financial support provided under section 39(1) of HERA by the OfS to the governing body of an eligible higher education provider – that is, one registered with us in the Approved (fee cap) category – in respect of expenditure incurred, or to be incurred, by the provider for the purposes of either or both of the following:
  - a. The provision of education by the provider.
  - b. The provision of facilities, and the carrying on of other activities, by the provider, which its governing body considers it is necessary or desirable to provide or carry on for the purposes of, or in connection with, education.
10. **Specialist funding** means additional funding allocated on an annual basis in respect of operating expenditure incurred, or to be incurred, by a specialist provider on its ongoing world-leading teaching for an academic year.
11. **Academic year** means the 12-month period from 1 August to the following 31 July.
12. **Financial year** means the 12-month period from 1 April to the following 31 March.
13. **Protected characteristics** means those relevant protected characteristics in section 149(7) of the Equality Act 2010, and are: age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; sexual orientation.

## Background

14. The funding for specialist providers is additional funding that has been provided to a subset of higher education providers previously funded by the Higher Education Funding Council for England (HEFCE).<sup>7</sup> It recognises the higher cost and distinctive nature of (primarily small) specialist higher education providers, and the public value that they bring to the sector. This subset of providers contributes significantly to the diversity of the higher education provider landscape, and offers prospective students enhanced choice in the nature of the higher education experience.
15. HEFCE's approach to providing funding for specialist institutions stemmed from the introduction of its funding method from 1998-99. It was informed by periodic reviews which recognised that some specialist providers had particular costs, given the nature of their provision, but did not have the same scope as multi-faculty providers to meet those costs by managing their overall income internally. It provided premiums or additional funding for these providers where it was satisfied there was a strong case to do so. The approach to these reviews varied but all sought to prioritise limited resource in a way that would most effectively add public value.
16. The 2021-22 allocations are based on the outcomes of a HEFCE review during 2015-16.<sup>8</sup> Providers demonstrating that they met all criteria under the HEFCE review were eligible for

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<sup>7</sup> HEFCE was a predecessor body of the OfS, responsible for funding higher education teaching and research. See: <https://webarchive.nationalarchives.gov.uk/20180508114509/http://www.hefce.ac.uk/>.

<sup>8</sup> See:

<https://webarchive.nationalarchives.gov.uk/20170110155430/http://www.hefce.ac.uk/It/howfund/institution/>.

funding through the targeted allocation. The size of allocation from HEFCE was determined by formula but subject to a minimum of £0.5 million and a maximum of £4 million per provider. For 2021-22, in line with the condition of grant set out in the Secretary of State's letter of 25 March 2021, we have increased the previous allocations by approximately 11.5 per cent, so that they now total £48 million across 16 providers (see Annex B). HEFCE stated that, 'dependent on government priorities and the higher education teaching budget, we would expect funding to be allocated until 2019-20. In 2019, allocations for 2020-21 would be reviewed again.' This has been delayed due to a number of factors.

17. We are consulting because providers that were not eligible under the HEFCE review in 2015-16 have been unable to access this targeted allocation: this is an opportunity to determine eligibility criteria and assess providers against them. Our proposals recognise the different remit and funding powers that the OfS has compared with HEFCE and changes since the HEFCE review affecting providers and their finances.

## **The case for additional funding for world-leading specialist providers**

18. HERA requires the OfS to have regard to the need to promote quality and greater choice and opportunities for students in performing its functions. Greater choice is defined in terms of a diverse range of types of provider and courses. HERA also requires the OfS to have regard to the need to promote value for money.
19. There are a small number of world-leading specialist providers which are exceptional in terms of the higher education provision that they offer to students, both undergraduate and postgraduate. There are common features that define this group of providers: they are highly specialist, offering unique and focused education in a specific academic or professional area; they tend to be small, largely related to the narrow focus of their specialism; and they are world-leading in terms of the quality of the teaching that they offer and the graduates that they produce. In combining these features, they make a distinctive contribution to the diversity of the higher education sector and the range of providers and courses on offer to students. They do so across a range of disciplines, from veterinary science to the performing and creative arts.
20. There is no single feature that defines world-leading specialist providers. Rather it is a combination of specialism, predominantly small size and world-leading quality. All these three factors interrelate:
  - a. Specialism. This enables a unique, organisation-wide focus on the provider's area of excellence. It underpins the nature of the teaching provision for students, and is closely related to its world-leading qualities: it needs to focus on its area of specialism in order to maintain its world-leading qualities. A graduate from a world-leading specialist provider will benefit from both the specialist nature of its teaching, as well as the national and international reputation which comes from the quality of its provision. Frequently, graduates will be operating in a highly competitive international market, where the specialism of their higher education will enhance their chances of success.
  - b. Small size. Many world-leading specialist providers are small. This reflects the nature of teaching, which may require one-to-one tuition (for instance, in the conservatoires) or



the limited supply of students with the right skills to benefit from its teaching, or the fact of its limited specialism.

- c. World-leading. There are many small providers which offer high quality provision, but which are not world-leading. They undoubtedly contribute to the quality of the higher education sector, and offer a more intimate environment which is attractive to some students who wish to study in a smaller provider. However, such small providers may not fall into the category of world-leading, and may not be specialist.

21. We acknowledge that many areas of world-leading, specialist provision will exist within large multi-faculty providers. However, we believe that the case can be made that the identity, excellence, and reputation – the world-leading nature – of specialist providers are closely linked to their independence, outside of a larger, multi-faculty provider.
22. Employers for graduates of specialist providers particularly recognise and value the extent to which these graduates have benefited from that specialist provision. Specialist providers themselves are often firmly rooted in the professions and industries in which their students go on to be employed. They make very particular contributions in meeting the needs of employers – be they, for example, the UK’s leading orchestras or dance companies or the National Health Service – as well as those that may be self-employed, such as in agriculture or the creative arts.
23. A consequence of these providers’ size, specialism and world-leading status is financial vulnerability. A small range of provision limits their ability to cross-subsidise between activities and sources of income. The nature of their activities, which often mean they have small student populations, precludes economies of scale. Many will have additional costs arising from, for example, the use of highly specialised facilities, small class sizes, and the need to attract leading academic staff: these features need to be secured or maintained in order to ensure world-leading quality provision. Although these factors may also be a feature of some multi-faculty providers, the specialist nature of the provision reduces the ability to cross-subsidise and limits the opportunity to achieve the efficiencies possible with large student populations. This is borne out in cost data from specialist providers. Building on information already collected as part of the Transparent Approach to Costing (TRAC) exercise, the report ‘Understanding costs of undergraduate provision in higher education’ examined the variation in full economic costs across the higher education sector in England and between subject areas, the causes of differences in costs and how this influences providers’ decision-making.<sup>9</sup> Its findings included that:
  - a. ‘Specialist institutions (typically in TRAC Peer Group F)<sup>10</sup> tend to have a higher unit cost, although size, the type of subject taught and less course variety are also likely to be factors in this group.’
  - b. ‘An institution with a smaller overall teaching cost is likely to be more costly on a unit cost basis though this factor is not independent of other factors such as the number of HESA cost centres.’

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<sup>9</sup> See: [www.gov.uk/government/publications/cost-of-undergraduate-higher-education-provision](http://www.gov.uk/government/publications/cost-of-undergraduate-higher-education-provision). See in particular section 1.6.4 ‘Understanding the cost drivers’.

<sup>10</sup> Information about the providers in each TRAC peer group is available from [www.trac.ac.uk/tracguidance/archive/](http://www.trac.ac.uk/tracguidance/archive/).

- c. 'An institution with more HESA cost centres, a proxy measure of course variety, is likely to have a lower unit cost and conversely the institutions with fewer HESA cost centres had a higher unit cost (though this is also likely to be linked to scale and the specialist nature of those institutions). The mix of subjects offered will mean that this is not always the case however.'

24. Specialist providers can also play an important and distinctive role in attracting students with particular characteristics, such as those with disabilities, although we recognise that this is likely to be characteristic of the subjects in which providers specialise.

25. We recognise that the approach to funding for specialist providers needs to recognise the different remit that the OfS has compared with its predecessor, HEFCE, and the different range of providers that may potentially be eligible for such additional support. In determining our proposals, we have had regard to our general duties in section 2 of HERA and in particular to those duties in sections 2(1)(b) to (f), as well as the public sector equality duty.

- a. Our duty under section 2(1)(b) of HERA requires that we have regard to the need to promote quality, and greater choice and opportunities for students, in the provision of higher education by English higher education providers. Section 2(2) explains that the reference to choice in the provision of higher education by English higher education providers includes choice among a diverse range of—
  - i. Types of provider
  - ii. Higher education courses, and
  - iii. Means by which they are provided (for example, full-time or part-time study, distance learning or accelerated courses).
- b. Our duty under section 2(1)(c) requires that we have regard to the need to encourage competition between English higher education providers in connection with the provision of higher education where that competition is in the interests of students and employers, while also having regard to the benefits for students and employers resulting from collaboration between such providers.
- c. Our duty under section 2(1)(d) requires that we have regard to the need to promote value for money in the provision of higher education by English higher education providers.
- d. Our duty under section 2(1)(e) requires that we have regard to the need to promote equality of opportunity in connection with access to and participation in higher education provided by English higher education providers. The public sector equality duty also requires that we have due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.
- e. Our duty under Section 2(1)(f) requires that we have regard to the need to use the OfS's resources in an efficient, effective and economic way.

26. We believe that the proposals set out in this consultation to support specialist providers achieve an appropriate balance between our various duties. In reaching our decisions, we will also have regard to responses to this consultation and to statutory guidance from the Secretary of State. We will also be mindful of the need to confirm the distribution of the remaining £5 million for the academic year 2021-22 and funding for the academic year 2022-23 in a timely way.

## Proposed purpose of the targeted allocation

27. World-leading specialist providers make a distinctive contribution to the diversity and quality of provision available to students. They also meet the needs of specialist employment sectors. We want to recognise this in the proposals for allocating additional funding to them. We propose, therefore, that the purpose of the targeted allocation is to:

- provide funding to recognise and maintain world-leading specialist teaching
- promote choice and opportunities for students in the range of providers and courses available
- recognise that these providers' world-leading status is integral to their specialism
- recognise that these providers' specialism is often integral to their small size
- address the needs of specialist employment sectors or parts of the economy
- provide value for money in targeting limited resources effectively to world-leading specialist providers where the case for exceptional support can add greatest value.

### Question 1

To what extent do you agree with the proposed purpose of the targeted allocation for world-leading specialist providers? Please provide an explanation for your answer. If you believe the purpose should differ, please explain how and the reason for your view.

## Determining the additional funding for world-leading specialist providers

28. There are two distinct aspects to how we propose to determine additional funding for world-leading specialist providers. The first is the criteria for a provider's eligibility; the second is how we calculate the funding allocation. Decisions on the funding allocation will differ for academic years 2021-22 and 2022-23. This is because our decisions will inform the distribution of the total available funding from 2022-23 (that total being subject to confirmation in the light of our grant settlement from government for financial year 2022-23 and beyond). However, for 2021-22 we have already distributed £48 million between 16 specialist providers, and so our decisions concern the distribution of only the residual £5 million available.

29. Our proposed approach is to invite providers that meet certain initial eligibility criteria to make a submission providing evidence of how they meet further criteria to be deemed world-leading. The initial criteria relate to the eligibility of providers to be funded by the OfS and whether they are specialist – or small and specialist. Submissions from providers will be considered by a panel, which will decide whether the world-leading criteria have been met.

30. Where providers meet the criteria to be world-leading, the OfS will then determine a funding allocation, which will be calculated formulaically. For 2022-23, we will allocate the total funding available to those providers identified as world-leading by the panel. For 2021-22, we will prioritise the £5 million to specialist providers which the panel identifies as world-leading but which have not received a share of the £48 million already allocated. If any funding remains once that priority has been met, we will look to distribute it among other specialist providers identified as world-leading by the panel. We will not allocate a share of the remaining £5 million for 2021-22 to providers that have not been identified as world-leading by the panel we propose to establish, as outlined below.

## Initial eligibility criteria

31. Outlined below are the proposed criteria for providers to be eligible to access the additional funding, on which this consultation seeks views. First, a provider must be registered with the OfS in the Approved (fee cap) category by the time the decisions of the proposed panel are taken on whether a provider is considered world-leading. The timing of those panel decisions is not yet settled and depends on the outcomes of this consultation, but it is likely to be spring 2022.

32. Constituent parts of a provider, such as specific colleges or institutes, viewed in isolation from the whole registered provider are not eligible. The assessment of world-leading is about the whole provider registered with the OfS. Our proposals are aimed at supporting the entirety of a specialist provider that might have less scope to diversify its income and achieve the economies of scale of larger providers with more flexibility to cross-subsidise between activities.

## Specialism

33. We need criteria to determine what a specialist provider is, which in broad terms need to consider the extent to which a provider's activities are concentrated in particular subject areas. This in turn requires clarity on what we mean by 'activity' and how we classify subjects. We could define activity in terms of what a provider's students or staff do, but for OfS purposes we are interested in provision of education for students, and therefore propose to define specialism with reference to the subjects studied by students. In any event, we do not have data on the subject specialisms of staff for all providers registered with us in the Approved (fee cap) category, making this alternative measure of activity infeasible.

34. While intuitively we might think of specialists as being providers with all their activity in one broad subject area, the reality is that many specialist providers offer provision in closely related subjects, which may be classified differently for data reporting purposes. To recognise this, we propose to define 'specialism' as a provider which has at least 75 per cent of its total full-time equivalent (FTE) higher education and further education student population in one broad subject area or at least 90 per cent of its total higher and further education student FTE population in no more than two broad subject areas. For this definition we propose that:

- a. The total student FTE population includes students studying at all levels (higher and further education, teaching and research), irrespective of how they are funded (so including OfS-fundable, non-fundable and overseas students). This is because we are looking to identify specialist providers (with reference to all their subject activity), as opposed to providers whose OfS-fundable higher education teaching happens to be in

a limited range of subjects. However, in assessing the proportion of activity in subject areas, we propose to exclude student FTEs that relate to study towards level 2 qualifications in English and maths. This reflects the legal entitlements of certain individuals to be fully funded for study towards such qualifications and the requirement on providers (including specialists) to offer such courses. (When determining how the funding mechanism operates we are expecting to count only OfS-fundable students.)

- b. The 'broad subject areas' are defined using level 1 of the Common Aggregation Hierarchy (CAH1) of the Higher Education Classification of Subjects (HECoS) codes, reported for courses (rather than modules).<sup>11</sup> For further education and sixth form colleges, we propose to determine whether they meet the criteria by mapping their LearnDirect Class System (LDCS) course codes to CAH codes, so that these providers are treated on a consistent basis to others.

35. The HEFCE definition had required 60 per cent of activity to be in one academic cost centre,<sup>12</sup> against a list of 45 such cost centres. By contrast, there are only 21 subject categories in level 1 of the CAH and hence we believe it right to require a higher percentage of activity to be in one CAH category. We are, however, also proposing to include a criterion relating to specialism in two subject areas, recognising that some specialist providers may offer activity in closely related fields, such as medicine and dentistry, and subjects allied to medicine.
36. We believe that the use of subject codes for the courses that providers offer is a highly appropriate way of identifying specialist providers, but recognise that 2019-20 was the first year that providers used HECoS codes to report their activity. We expect providers to follow the relevant HESA guidance in using HECoS codes.<sup>13</sup> If providers believe their use of subject codes in their 2019-20 data returns does not accurately reflect their teaching activities or is inconsistent with guidance, they may request a data amendment. Guidance on the data amendments process is available on the OfS website.<sup>14</sup>
37. Annex B provides a list of the providers registered with us in the Approved (fee cap) category that we expect to meet the proposed criteria relating to being specialist (that is, they have 75 per cent of total student FTEs in one broad subject area or 90 per cent in two). This is based on the most recent individualised student data available, for academic year 2019-20.<sup>15</sup> We are also releasing to providers, in confidence via the OfS portal, details of how we have derived this analysis using their individualised student data. The list of providers eligible to submit for assessment against the world-leading criteria is subject to change, including in light of responses to this consultation. We have provided it only to enable providers and others to understand the potential impact of our proposals and respond to this consultation.

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<sup>11</sup> See [www.hesa.ac.uk/support/documentation/hecos](http://www.hesa.ac.uk/support/documentation/hecos).

<sup>12</sup> The criteria previously used by HEFCE to define specialism referenced HESA academic cost centres, which are no longer appropriate for OfS purposes. Cost centres are not a concept used by further education and sixth form colleges, nor by providers that complete the HESA Student Alternative record. We need a definition that, as far as possible, can apply equally to all providers registered with us in the Approved (fee cap) category.

<sup>13</sup> See [www.hesa.ac.uk/support/documentation/hecos](http://www.hesa.ac.uk/support/documentation/hecos).

<sup>14</sup> See [www.officeforstudents.org.uk/data-and-analysis/amendments-to-data/data-amendments-process/](http://www.officeforstudents.org.uk/data-and-analysis/amendments-to-data/data-amendments-process/).

<sup>15</sup> We do not have 2019-20 individualised student data for eight providers registered in the Approved (fee cap) category and we are therefore unable to assess whether they may meet the proposed criteria for being specialist. See paragraph 51.

## Question 2

To what extent do you agree with the proposed criteria for defining specialism? Please provide an explanation for your answer. If you believe our approach should differ, please explain how and the reason for your view.

### Size of provider

38. The criteria previously used by HEFCE to determine eligibility for accessing the funding allocation for world-leading specialist providers did not include the size of a provider. However, the formula used to distribute the funding did take account of size by capping (at 500 FTE) the number of students counted for funding and providing the highest rates of grant (per student) to providers with the lowest total income. We believe it right that funding for world-leading specialists is prioritised towards smaller providers that have less scope to achieve the economies of scale of larger providers and to cross-subsidise between different activities, as evidenced in the DfE report referenced in paragraph 23. We therefore propose that a feature of the funding formula that applies to those identified as world-leading should be to prioritise funding for smaller providers and prevent larger providers from receiving large proportions of the allocation (see paragraphs 63 to 67). However, there is a question about whether this intention should be reinforced by restricting eligibility for specialist-provider funding according to size (which would prevent larger providers from making a submission to the panel).
39. If we were to restrict eligibility to providers based on their small size, we would assess this using the same population as described in paragraph 34.a. Annex B, which lists the providers registered with us in the Approved (fee cap) category that we expect to meet the eligibility criteria for being specialist, also shows the total FTEs in this population in 2019-20 for each provider.
40. Restricting eligibility to providers based on their small size would ensure that funding is prioritised for smaller providers that have more limited scope to diversify their income and achieve efficiencies of scale. It would also reduce the burden of the process (for providers and the OfS) where the rationale for additional funding is not as strong. However, it could exclude some specialist providers that might wish to make the case to the panel for being world-leading, even if this did not guarantee additional funding through the formula allocation.

## Question 3

Do you believe that we should limit the eligibility of specialist providers to make a submission to the panel for assessment as being world-leading based on the small size of their total student FTE population? Please provide an explanation for your answer.

## Question 4

If you have answered yes to question 3, what total FTE size (reflecting the population described in paragraph 34.a) do you believe should be the cut off, above which a provider would not be eligible to submit to the panel for assessment as world-leading? Please provide an explanation for your answer.

## Criteria for being a world-leading provider

41. We propose that a specialist provider meeting the initial eligibility criteria will be able to make a submission for assessment by a panel against criteria to be considered world-leading. The criteria that we are proposing aim to capture the genuine, consistent and internationally recognised reputation as a world-leading provider that those eligible for the additional funding will demonstrate. We anticipate this additional funding will be targeted towards a small number of providers which can demonstrate that they are maintaining world-leading teaching. This is consistent with the Secretary of State's statutory guidance letter of 25 March 2021. In this context, 'world-leading' refers to a standard of quality and expertise (in a subject area) that gives a provider an enduring reputation internationally as being among the finest in the world. International recognition is a necessary, but not sufficient, condition for being world-leading. An enduring reputation will continue to develop through innovation that maintains a provider's activities and outputs at the cutting edge over time.
42. The OfS's funding role relates to the education and related activities and facilities of providers; unlike HEFCE, we do not have a responsibility for research. This means that the OfS needs to focus on providers' teaching, related education activities and their outcomes to assess whether they are world-leading. Therefore, we propose that a specialist provider would need to meet the following criteria to be considered world-leading:
- a. The provider has a genuine and enduring reputation for **teaching in its specialism that is world-leading** and this is supported by evidence.
  - b. The **knowledge and skills of the provider's graduates**, and the enduring impact they have on the professions and industries for which they have been prepared, are recognised by other world-leading providers, leading employers, external funders and others in the UK and beyond.
  - c. The provider's students, graduates and teaching practitioners contribute to **the development of their particular specialisms** in a way that is recognised internationally or create the new industries, techniques or art forms of the future.
  - d. The provider's world-leading status is integral to its specialism and often small size.

### Question 5

To what extent do you agree with the proposed criteria for a provider to be considered world-leading? Please provide an explanation for your answer. If you believe our approach should differ, please explain how and the reason for your view.

## Completion of the submission by providers to be considered against the proposed world-leading criteria

43. As outlined above, we propose that the OfS makes a judgement about whether a provider meets the initial eligibility criteria, using existing data for 2019-20. If we adopt the approach outlined in this consultation, we will invite providers which meet these criteria to make a submission. We will consider this against the proposed world-leading criteria, which, for OfS

funding purposes, needs to focus on their teaching and education activities (rather than research – see paragraph 42). We will invite them to do so by completing an online form. We propose having a panel to assess these submissions (further details below).

44. We recognise that the evidence, and related measures of success or esteem, that providers might include in their submissions to demonstrate how they meet the criteria for being world-leading may vary according to their particular subject specialism(s). However, we are interested in views on what evidence providers that are specialist in different subjects would need to submit to the proposed panel as part of this consultation. Table 1 sets out a proposed overarching framework for such evidence. It would be for the panel to judge how any particular piece of evidence submitted by a provider contributed in demonstrating that it was world-leading.

**Table 1: proposed evidence required to inform judgements against the world-leading criteria**

Proposed criteria	Proposed evidence relating to teaching and education activities and outcomes
A genuine and enduring reputation for teaching in its specialism that is world-leading and supported by evidence.	<ul style="list-style-type: none"> <li>• the reputation of teaching programmes (for instance whether the provider’s learning processes, pedagogy and curricula have been an essential point of reference for peer institutions)</li> </ul>
The knowledge and skills of the provider’s graduates, and the enduring impact they have on the professions and industries for which they have been prepared, are recognised by other world-leading providers, leading employers, external funders and others in the UK and beyond.	<ul style="list-style-type: none"> <li>• the economic, societal and cultural benefits that the provider brings in particular through the activities of students and graduates.</li> <li>• demand from (and dependency of) particular employers or employment sectors on graduates from certain courses</li> <li>• graduate skills and experience, both in meeting the needs of leading employers (those at the forefront of their industry) and for boosting opportunities for those self-employed</li> <li>• independent and peer reviewed indicators of esteem (for instance awards from relevant connected industries)</li> <li>• success in internationally competitive environments (for instance international exhibitions and grants)</li> </ul>
The provider’s students, graduates and teaching practitioners contribute to the development of their particular specialisms in a way that is recognised internationally or create the new industries, techniques or art forms of the future.	<ul style="list-style-type: none"> <li>• the professional roles, influence and recognition that the provider’s graduates have had in the industries and disciplines for which they have been prepared</li> <li>• the distinctive value the provider has added to its students and the type of impact that it prepares its students to make in their professional lives</li> </ul>



Proposed criteria	Proposed evidence relating to teaching and education activities and outcomes
	<ul style="list-style-type: none"> <li>the standing of teaching practitioners (for instance the recruitment of staff who are currently leading practitioners in their field)</li> </ul>
The provider's world-leading status is integral to its specialism and often small size.	<ul style="list-style-type: none"> <li>the courses offered and their content</li> <li>the mode of delivery (meaning the way in which teaching is provided, rather than, for example, whether students study full-time or part-time)</li> </ul>

45. We also propose to invite each provider to nominate two referees to provide a view on the extent to which it meets the criteria to be world-leading. Each provider's submission should include the referees' contact details and outline why they are well-qualified to provide advice. We intend to contact both referees for each provider that makes a submission, inviting them to provide a reference. In addition, to ensure the panel is sufficiently informed on a subject area, it may seek specific advice from other experts in relevant discipline areas.
46. In addition to the information a provider submits to the panel, we propose that the panel should also be able, at its own discretion, to take account of any other **publicly available** information that it believes relevant to the assessment of the world-leading standing of providers that specialise in different subjects.
47. Specialist providers may wish to refer to such public information to support their submissions, but if they do not, we believe the panel should still be free to consider it (where it is available). While we expect the panel's judgement to be informed primarily by the submissions from providers and their referees, we believe such public information can provide useful contextual information. The OfS will provide summary analysis of such information if requested by the panel.
48. While we consider that world-leading specialist providers should be able to demonstrate how they meet all the criteria specified in paragraph 42, we recognise that the proposed evidence of how they do so (as outlined in Table 1) may differ according to their subject specialism. We believe this may also be true of publicly available information that the panel may choose to consider. In short, whether a specialist music provider is considered world-leading should be judged with reference to other music providers, not with reference to a specialist in, say, medicine. The panel will need to take a view on the extent to which this applies across related disciplines, such as across different types of performing arts or branches of healthcare.
49. We are looking to keep the information we require in the submission from providers as low-burden as possible, so that it is focused on how the submission addresses the world-leading criteria. The information to be collected through the submission form may be subject to change depending on our decisions in the light of this consultation. Mindful of not creating additional burden on providers, we would encourage them to submit a concise response and may set a guide of the maximum expected words per criterion.

### Question 6

To what extent do you agree with our proposals on the evidence a provider would need to submit to the panel to demonstrate they meet the world-leading criteria? Please provide an explanation for your answer. If you believe our approach should differ, please explain how and the reason for your view.

### Question 7

To what extent do you agree that specialist providers should be able to nominate two referees who can support the case for why they are world-leading? Please provide an explanation for your answer. If you believe our approach should differ, please explain how and the reason for your view.

### Question 8

To what extent do you agree that the panel should be able to consider other publicly available information in determining whether a provider is world-leading? Please provide an explanation for your answer. If you believe our approach should differ, please explain how and the reason for your view.

## Proposed approach to decision-making

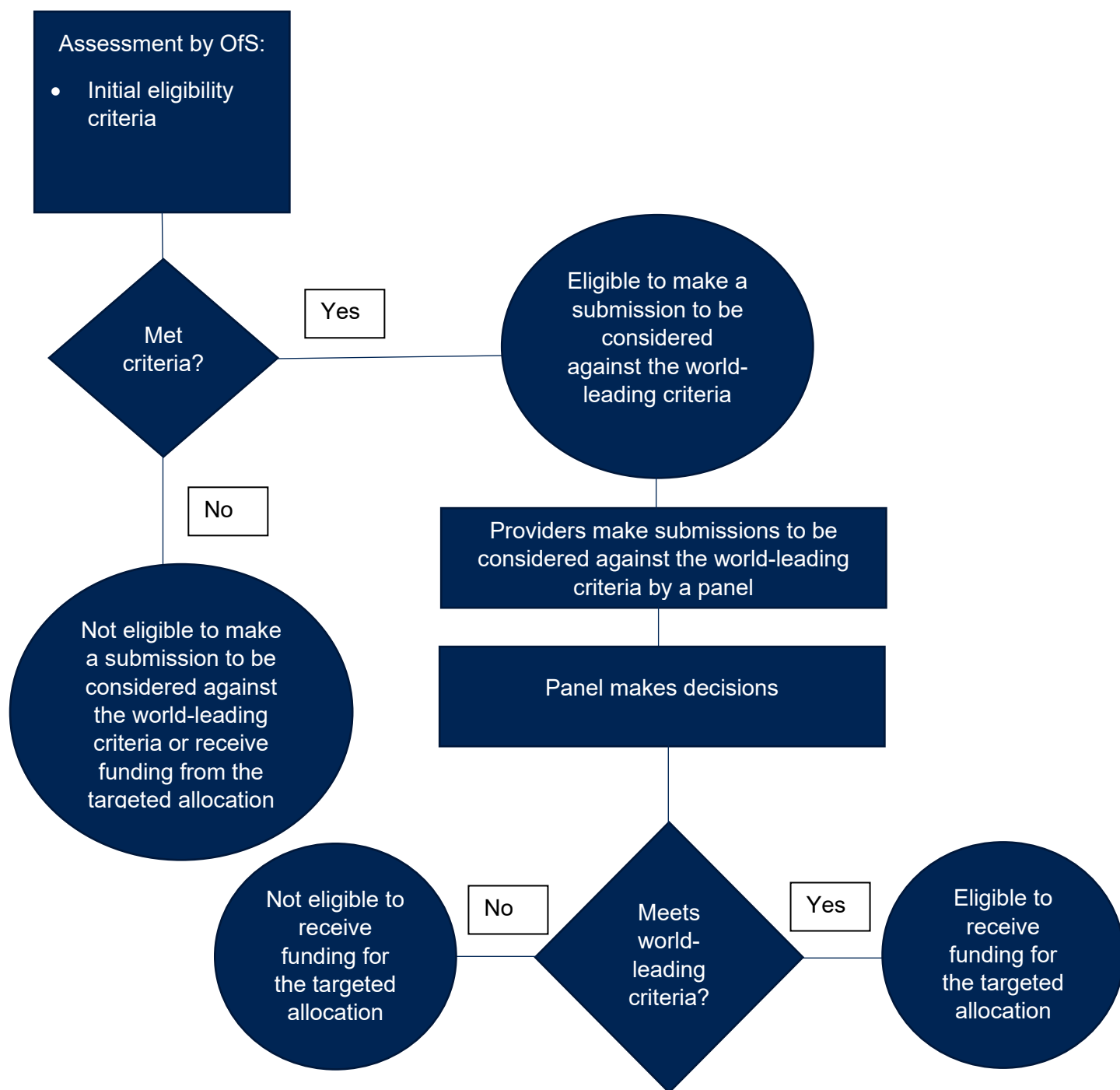
50. We propose to undertake the following approach to decision-making, which is also set out in diagram 1 below:

- a. The OfS will assess whether providers meet the proposed initial eligibility criteria using individualised student data for 2019-20.
- b. If a provider is assessed as meeting the initial eligibility criteria it would be invited to make a submission to set out its case for being judged as world-leading.<sup>16</sup> We propose that a panel (as a time-limited committee of the OfS board) considers the submissions and determines whether a provider is 'world-leading'.
- c. The amount of specialist funding to be distributed each year will be decided by the OfS alongside other funding decisions (the proposed panel will not make these decisions). The level of funding provided will be dependent on the overall funding provided by government.

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<sup>16</sup> There is no obligation on an eligible provider to make a submission to the panel, but one choosing not to do so would not have access to funding for world-leading specialist providers.

**Diagram 1: proposed process for assessing providers against the proposed criteria**



**Assessment of initial eligibility criteria**

51. We propose that the OfS uses existing data to assess the proposed initial eligibility criteria. In order to make these decisions, we propose to use individualised student data for 2019-20. This is the most recent individualised student data available and ensures clarity for providers (subject to the outcomes of this consultation) about whether they will meet the initial eligibility criteria. Data submissions to HESA for 2020-21 have not yet been signed off and the data would not be available before February 2022 (once it has been published as an official statistic): we expect this to be after the invitation to providers to make submissions to the panel has been issued. Where (and only where) we do not hold individualised 2019-20 student data

for a provider, we will require further information from the provider that demonstrates that it meets the initial eligibility criteria.

## **Assessment of world-leading**

52. Given the importance of the judgements against the ‘world-leading’ criteria, we propose to establish a panel (as a time-limited committee of the OfS board). We propose that this panel will have delegated authority to make decisions about providers against the world-leading criteria only. If a provider is considered world-leading by the panel, it will be eligible to receive funding from the targeted allocation (albeit that any funding received will be determined by the parameters of the formula allocation method, and dependent on the provider’s continuing eligibility as a specialist provider registered in the Approved (fee cap) category). In order to make these decisions we propose that providers make a submission to the panel, outlining how they meet these criteria.
53. The criteria proposed in paragraph 42 will require an assessment of, for example, a provider’s reputation for teaching in their specialism and the recognition of its graduates’ knowledge, skills and enduring impact in the UK and beyond. We recognise that the evidence required to demonstrate that criteria are met will vary between different subjects. We believe this therefore requires assessment by a panel that is able to take account of the views of individuals or organisations with leading reputations and expertise in their fields. We also believe that this assessment cannot be made in a formulaic way on the basis of existing provider data.<sup>17</sup>

## **Proposed approach to establishing a panel**

54. In order to establish a panel we will seek nominations of individuals who might be suitable members to make decisions on the ‘world-leading’ provider criteria. However, we do propose that:
- a. The panel will be chaired by an OfS board member.
  - b. The panel membership will include either one other OfS board member or an OfS director, who will also act as deputy chair.
  - c. The chair of the OfS board will approve the final panel membership and this will be published on the OfS website.
55. In addition and to ensure the panel is sufficiently informed on a subject area, it can seek specific advice from other experts in relevant discipline areas. The panel, through the course of its work to make decisions about whether a provider is world-leading, will determine if this additional expert advice is required. It may draw the advice from others that were nominated to the panel, or from others that the panel believe will have the necessary expertise to advise on a particular subject area. The OfS will check for any conflicts of interest held by those proposed to offer advice to the panel. Any advice or recommendations from other experts will be considered by the panel, which will make the final decisions.
56. In considering nominations to the panel, we will need to ensure that we reflect a wide spectrum of subject specialisms and that it includes, or has access to, individuals with an internationally

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<sup>17</sup> This is consistent with the use of panels in, for example, the Teaching Excellence Framework and the Research Excellence Framework.

recognised reputation in their specialism. We also want to ensure that the membership is diverse and that any potential conflicts of interest are minimised, declared and managed.

57. In order to establish a panel, we intend to seek nominations from national or international organisations such as representative bodies (of employers, higher education providers and professional or subject associations) and other relevant organisations, such as other regulators or funders during November 2021. We recognise we will be seeking nominations while this consultation is open. However, we need to start the nominations process early in order for a panel to be established during winter 2021 so it can make decisions that will inform funding announcements in spring 2022. Should the outcome of this consultation result in a panel not being required we will stop the nominations process as soon as possible.
58. Proposed terms of reference for a panel are outlined at Annex C (note that these are subject to change depending on the outcome of this consultation).
59. Decisions about the level of funding a provider will receive from the specialist funding allocation will form part of the normal OfS decision-making process and will not involve the panel.

### Question 9

To what extent do you agree to the proposed approach to establishing a panel to assess whether a provider is world-leading? Please provide an explanation for your answer. If you believe our approach should differ, please explain how and the reason for your view.

## Terms and conditions of grant, period of eligibility for funding and the allocation method

60. As part of this consultation we are seeking views on:
- a. The terms and conditions of grant and the eligibility period that should apply to additional funding for world-leading specialist providers.
  - b. How we will allocate the funding for the targeted allocation.

## Terms and conditions of grant and eligibility period for funding

61. We want to ensure certainty for providers who receive this funding, given that smaller providers may have additional costs and limited scope for cross-subsidy, as evidenced in the DfE report in paragraph 23. We also recognise that an annual process to establish eligibility and funding levels also increases burden and uncertainty. The purpose of the funding is not to provide project-based funding, with conditions attached relating to the achievement of particular deliverables. Rather, it is to contribute to the ongoing running costs of providers identified as world-leading, with a view to maintaining and, if possible, enhancing the distinctive role they play in meeting students' and employers' needs. This treatment of the funding is consistent with how OfS recurrent grant more generally supports providers. Unless funding is earmarked for a particular purpose, providers have considerable freedom as to how they allocate it internally, as long as it is for the purposes specified in section 39 of HERA. This freedom is important in supporting diversity in higher education, because it helps providers in ensuring course content can respond quickly to the latest developments in research and industry, as

well as employer needs, and allows for innovation in course delivery. We believe this principle should also be the case for the additional funding for world-leading specialist providers. We propose, therefore, that it should be subject to the same general terms and conditions of grant as apply to our recurrent funding for providers.<sup>18</sup>

62. Given the purpose of the funding, we propose that providers that are assessed as world-leading will retain that assessment for at least five years (academic years 2022-23 to 2026-27 inclusive) before being reassessed. They will be funded accordingly throughout that period provided that they also continue to be registered with the OfS in the Approved (fee cap) category and meet the initial eligibility criteria. That reassessment would effectively monitor how well providers have used their overall resources (including any exceptional OfS funding for specialist providers) to maintain or enhance their world-leading status and inform funding in a following period.<sup>19</sup> This also means no other providers would be able to access funding from this targeted allocation until the next assessment point.

### Question 10

To what extent do you agree that additional funding for world-leading specialist providers should be subject to the same general terms and conditions of grant as apply to our recurrent funding for providers? Please provide an explanation for your answer. If you believe our approach should differ, please explain how and the reason for your view.

### Question 11

To what extent do you agree with the proposal for the eligibility period for funding to be five years? Please provide an explanation for your answer. If you believe our approach should differ, please explain how and the reason for your view.

## Allocation of funding

63. The existing allocation used a formula to allocate the funding established by HEFCE.<sup>20</sup> We propose to continue a formula approach, with further details of the features of a formula outlined below, which we welcome views on. An alternative to a formula could be a bidding exercise, where providers make a submission or bid for a specific amount of funding. We consider this alternative option would add significant complexity into the approach, burden for providers and not deliver significant additional benefits. In addition, this targeted allocation is

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<sup>18</sup> The terms and conditions of funding that apply for 2021-22 are available at:

[www.officeforstudents.org.uk/publications/terms-and-conditions-of-funding-for-2021-22/](http://www.officeforstudents.org.uk/publications/terms-and-conditions-of-funding-for-2021-22/).

<sup>19</sup> This is analogous to how the Research Excellence Framework is operated by Research England, where funding is allocated for a fixed period on the basis of peer-reviewed evidence of research excellence to support providers' ongoing research activities, but not linked to specific projects. The use made of the research funding is effectively assessed through the following periodic Research Excellence Framework, which will determine whether and how funding continues into the next period.

<sup>20</sup> The HEFCE formula was based on the average number of fundable FTEs over the most recent three years, but subject to a cap of 500 FTEs. The rates per FTE varied between £2,000 and £8,000 according to the overall income for a provider, also averaged over three years: £8,000 per FTE for providers with average income of less than £40 million, reducing linearly to £2,000 per FTE for providers with average income of more than £80 million. A minimum allocation of £0.5 million was also applied, while the formula meant that the maximum allocation was £4 million. This method meant that funding was prioritised towards smaller providers.

part of our recurrent funding and helps to maintain world-leading teaching, whereas a bidding exercise would require a provider to deliver a specific project in return for funding.

64. In distributing funding, our aim is to secure value for money by prioritising support for world-leading providers that have additional costs relating to their subject specialisms, but less scope to meet those costs through a diversity of income sources or efficiencies of scale. In order to do this, we propose certain features of a funding formula to inform funding from 2022-23.
65. Funding should be calculated to reflect numbers of OfS-fundable FTEs for the most recent year(s) available. We propose this is based on the HESES data that providers will submit for 2021-22, but we are also open to using an average of more than one year's data to ensure that allocations are not skewed by a single year that could be an outlier. The use of OfS-fundable FTEs is to ensure that allocations are based on a student population that reflects the OfS's funding responsibilities and priorities. This will exclude, for example, students not subject to home fees (who are expected to be self-funding); students that are expected to be funded from another public source (such as research students and those fundable by the ESFA); and students aiming for an equivalent or lower qualification (ELQ), unless subject to an OfS exemption to the ELQ policy. Detailed guidance on the OfS fundability status is provided in the annual HESES surveys.<sup>21</sup>
66. We believe funding should be prioritised to providers of a small size, because they have less scope to achieve efficiencies of scale. The proposed methodology to achieve this is:
  - a. By counting only a limited number of FTEs at any provider, essentially ensuring that larger providers do not receive a greater allocation because of their larger population. We would scale back pro rata the OfS-fundable FTEs at providers that had more than the limit we were prepared to count for this allocation.
  - b. By also applying rates of grant per FTE that reduced according to a provider's overall size (in student number terms). We would use the same student population to assess a provider's overall size as described in paragraph 34.a.
67. Rates of funding should prioritise providers that specialise in higher cost subjects in price groups A, B and C1, recognising that classroom-based subjects in price group D and, to a lesser extent in C2, are less likely to incur additional costs. The rates of funding for each price group would be different from, but complement, any rates by price group provided through the main high-cost subject funding method and other elements of OfS grant. In each case, these rates by price group would be scaled back for larger providers, as described in the previous paragraph.

## Question 12

To what extent do you agree with the proposed approach to the allocation of funding? Please provide an explanation for your answer. If you believe our approach should differ, please explain how and the reason for your view.

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<sup>21</sup> See: [www.officeforstudents.org.uk/data-and-analysis/data-collection/heses/](http://www.officeforstudents.org.uk/data-and-analysis/data-collection/heses/).



68. We have considered two approaches to how often we determine the funding providers receive through the proposed five-year eligibility period:
- a. The level of funding an eligible provider receives remains consistent throughout the five-year period.
  - b. The level of funding an eligible provider receives is recalculated annually and is revised depending on changes to OfS-fundable student numbers.

Both options will be subject to the annual funding settlement for the OfS from government and assume there are no substantive changes to the finance arrangements for higher education.

69. Maintaining the level of funding a provider receives throughout the five-year period provides certainty for providers and enables them to plan effectively. However, if a provider's student numbers changed during this period this would not be reflected in their funding allocation. Alternatively, if we adopted an annual recalculation of funding, this would involve re-running our formula (as proposed in paragraphs 65 to 67) using the latest available student data. If the funding available was fixed, this would result in a redistribution between the eligible providers.
70. With either option, a provider judged to be world-leading will need to remain as an Approved (fee cap) provider to continue to receive funding. If a provider, judged as world-leading, changes its constitutional arrangements after the panel decisions have been made, the OfS reserves the right to decide whether a provider or its constituent parts continue to receive funding.
71. It should be noted that the level of funding available for this targeted allocation for 2022-23 is subject to affordability depending on the overall teaching funding made available to the OfS from government.

### Question 13

Should we adopt an approach where funding is fixed across the proposed five-year eligibility period, or should we re-run our formula (as proposed in paragraphs 65 to 67) annually using the latest available student data? Please explain the reason for your view.

72. To distribute the £5 million available for 2021-22, we believe the same considerations as set out in paragraphs 65 to 67 should apply in calculating formula funding for any providers that are newly eligible. The first priority for the distribution of the £5 million available will be to any world-leading specialist providers that are not in receipt of a share of the £48 million already allocated. This reflects the terms and conditions of grant placed on us in the Secretary of State's statutory guidance letter of 25 March 2021.<sup>22</sup> We propose to calculate this using the same formula approach as for 2022-23, but that we may need to scale allocations back pro rata if the result sums to more than the £5 million available.
73. If any funding remains once that first priority has been met, we will look to distribute it among other specialist providers identified as world-leading by the panel. In doing so, we will look to prioritise those providers that may have an increase to their allocation from 2022-23. We will

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<sup>22</sup> Available from: [www.officeforstudents.org.uk/advice-and-guidance/regulation/guidance-from-government/](http://www.officeforstudents.org.uk/advice-and-guidance/regulation/guidance-from-government/).



not allocate a share of the remaining £5 million for 2021-22 to providers that have not been identified as world-leading by the panel.

#### Question 14

To what extent do you agree with the proposed approach to prioritising the distribution between providers of the remaining £5 million available for the 2021-22 academic year? Please provide an explanation for your answer. If you believe our approach should differ, please explain how and the reason for your view.

#### Question 15

Do you have any other comments on the proposals set out in this consultation?

## Indicative timetable

74. Subject to the outcomes of this consultation an indicative timetable is outlined below:

Activity	Timing
Consultation window	20 October - 1 December 2021
Analysis of consultation responses	December 2021
Outcomes of consultation and (subject to those) invitation to eligible providers to make a submission	January 2022
Subject to consultation outcomes, deadline for receipt of submissions	February/March 2022
Subject to consultation outcomes - panel assess submissions	March/April 2022
Decisions announced	Spring 2022
Funding allocations announced for academic years 2021-22 and 2022-23	Spring 2022

## Appeals

75. We do not intend to have an appeals process for the eligibility of providers to access the targeted allocation for world-leading specialist providers.

# Annex A: list of consultation questions

## Question 1:

To what extent do you agree with the proposed purpose of the targeted allocation for world-leading specialist providers? (See paragraph 27)

Strongly agree	Tend to agree	Tend to disagree	Strongly disagree	Don't know / prefer not to say
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Please provide an explanation for your answer. If you believe our approach should differ, please explain how and the reason for your view.

## Question 2:

To what extent do you agree with the proposed criteria for defining specialism? (See paragraph 34)

Strongly agree	Tend to agree	Tend to disagree	Strongly disagree	Don't know / prefer not to say
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Please provide an explanation for your answer. If you believe our approach should differ, please explain how and the reason for your view.

## Question 3:

Do you believe that we should limit the eligibility of specialist providers to make a submission to the panel for assessment as being world-leading based on the small size of their total student FTE population? (See paragraphs 38 to 40)

Yes	No	Don't know / prefer not to say
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Please provide an explanation for your answer.

## Question 4:

If you have answered yes to question 3, what total FTE size (reflecting the population described in paragraph 34.a) do you believe should be the cut off, above which a provider would not be eligible to submit to the panel for assessment as world-leading?

(specify an approximate number)

Please provide an explanation for your answer.

**Question 5:**

**To what extent do you agree with the proposed criteria for a provider to be considered world-leading? (See paragraph 42)**

Strongly agree	Tend to agree	Tend to disagree	Strongly disagree	Don't know / prefer not to say
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Please provide an explanation for your answer. If you believe our approach should differ, please explain how and the reason for your view.

**Question 6:**

**To what extent do you agree with our proposals on the evidence a provider would need to submit to the panel to demonstrate they meet the world-leading criteria? (See paragraph 44 and Table 1)**

Strongly agree	Tend to agree	Tend to disagree	Strongly disagree	Don't know / prefer not to say
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Please provide an explanation for your answer. If you believe our approach should differ, please explain how and the reason for your view.

**Question 7:**

**To what extent do you agree that specialist providers should be able to nominate two referees who can support the case for why they are world-leading? (See paragraph 45)**

Strongly agree	Tend to agree	Tend to disagree	Strongly disagree	Don't know / prefer not to say
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Please provide an explanation for your answer. If you believe our approach should differ, please explain how and the reason for your view.

**Question 8:**

**To what extent do you agree that the panel should be able to consider other publicly available information in determining whether a provider is world-leading? (See paragraphs 46 to 48)**

Strongly agree	Tend to agree	Tend to disagree	Strongly disagree	Don't know / prefer not to say
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Please provide an explanation for your answer. If you believe our approach should differ, please explain how and the reason for your view.

**Question 9:**

**To what extent do you agree to the proposed approach to establishing a panel to assess whether a provider is world-leading? (See paragraphs 54 to 59)**

Strongly agree	Tend to agree	Tend to disagree	Strongly disagree	Don't know / prefer not to say
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Please provide an explanation for your answer. If you believe our approach should differ, please explain how and the reason for your view.

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**Question 10:**

**To what extent do you agree that additional funding for world-leading specialist providers should be subject to the same general terms and conditions of grant as apply to our recurrent funding for providers? (See paragraph 61)**

Strongly agree	Tend to agree	Tend to disagree	Strongly disagree	Don't know / prefer not to say
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Please provide an explanation for your answer. If you believe our approach should differ, please explain how and the reason for your view.

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**Question 11:**

**To what extent do you agree with the proposal for the eligibility period for funding to be five years? (See paragraph 62)**

Strongly agree	Tend to agree	Tend to disagree	Strongly disagree	Don't know / prefer not to say
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Please provide an explanation for your answer. If you believe our approach should differ, please explain how and the reason for your view.

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**Question 12:**

**To what extent do you agree with the proposed approach to the allocation of funding? (See paragraphs 65 to 67)**

Strongly agree	Tend to agree	Tend to disagree	Strongly disagree	Don't know / prefer not to say
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Please provide an explanation for your answer. If you believe our approach should differ, please explain how and the reason for your view.

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**Question 13:**

**Should we adopt an approach where funding is fixed across the proposed five-year eligibility period, or should we re-run our formula (as proposed in paragraphs 65 to 67) annually using the latest available student data? (See paragraphs 68 to 70)**

Funding should be fixed for the five-year period	Formula funding should be calculated afresh each year	Don't know / prefer not to say
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Please provide an explanation for your answer.

**Question 14:**

**To what extent do you agree with the proposed approach to prioritising the distribution between providers of the remaining £5 million available for the 2021-22 academic year? (See paragraphs 72 and 73)**

Strongly agree	Tend to agree	Tend to disagree	Strongly disagree	Don't know / prefer not to say
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Please provide an explanation for your answer. If you believe our approach should differ, please explain how and the reason for your view.

**Question 15:**

**Do you have any other comments on the proposals in this document?**

## Annex B: providers expected to meet eligibility criteria for being specialist

1. This annex lists the 68 providers registered with the OfS in the Approved (fee cap) category that we expect to meet proposed eligibility criteria for being specialist – that is, they have 75 per cent of total student FTEs in one broad subject area or 90 per cent in two, as proposed in paragraph 34 of our consultation. The analysis is based on providers' 2019-20 individualised data.<sup>23</sup> The annex also shows:
  - a. The total student FTEs that we have identified in our analysis (reflecting the student population described in paragraph 34.a), rounded to the nearest 5. Respondents to this consultation may wish to consider this data in informing their responses to consultation questions 3 and 4. These questions seek views on whether, and if so at what level, there should be an initial eligibility criterion that would limit the specialist providers able to make a submission to the panel for assessment as being world-leading based on the small size of their total student FTE population.
  - b. The distribution of £48 million already allocated for academic year 2021-22 to 16 specialist providers that met the criteria for funding under the review carried out by the Higher Education Funding Council for England in 2015-16. These allocations were announced in 'Recurrent funding for 2021-22' in July 2021.<sup>24</sup>

Provider name	Total FTEs 2019-20	Specialist provider funding for 2021-22 announced in July 2021
ACM Guildford Limited	1,520	£0
AECC University College	615	£0
Amity Global Education Ltd	55	£0
Arts University Bournemouth, the University of the Arts, London	3,305	£0
BIMM Limited	19,580	£1,115,282
Bloomsbury Institute Limited	5,100	£0
British Academy of Jewellery Limited	1,260	£0
Central Film School London Ltd	0	£0
The Chicken Shed Theatre Trust	100	£0
Cliff College	90	£0
The Conservatoire for Dance and Drama	75	£0
Court Theatre Training Company Ltd	940	£4,461,126
Courtauld Institute of Art	65	£0
Cranfield University	530	£2,197,849
University for the Creative Arts	3,135	£1,115,282
CWR	6,400	£0
University College of Estate Management	125	£0
Guildhall School of Music & Drama	1,430	£0
Harper Adams University	1,010	£4,461,126
	2,910	£4,461,126

<sup>23</sup> We do not have 2019-20 individualised student data for eight providers registered in the Approved (fee cap) category and we are therefore unable to assess whether they may meet the proposed criteria for being specialist. See paragraph 51.

<sup>24</sup> See [www.officeforstudents.org.uk/publications/recurrent-funding-for-2021-22/](http://www.officeforstudents.org.uk/publications/recurrent-funding-for-2021-22/).

<b>Provider name</b>	<b>Total FTEs 2019-20</b>	<b>Specialist provider funding for 2021-22 announced in July 2021</b>
Hereford College of Arts	475	£0
ICMP Management Limited	980	£0
ICON College of Technology and Management Ltd	1,340	£0
Institute of Art - London Limited	195	£0
Institute of Cancer Research: Royal Cancer Hospital (The)	195	£557,641
Lamda Limited	290	£0
The University of Law Limited	8,355	£0
Leeds Arts University	2,270	£0
Leeds College of Building	2,110	£0
Leeds Conservatoire	1,260	£0
The Liverpool Institute for Performing Arts	865	£0
Liverpool School of Tropical Medicine	210	£0
London Bridge Business Academy Limited	210	£0
London Business School	1,995	£0
London Film School Limited	200	£0
The London Institute of Banking & Finance	205	£0
The London School of Architecture	90	£0
London School of Hygiene and Tropical Medicine	855	£557,641
London School of Theology	265	£0
Luther King House Educational Trust	50	£0
The Metanoia Institute	225	£0
Moorlands College	195	£0
National Film and Television School(The)	395	£1,385,924
Nazarene Theological College	100	£0
Nelson College London Limited	1,105	£0
The Northern School of Art	920	£0
Norwich University of the Arts	2,285	£0
University College of Osteopathy (The)	395	£0
Pearson College Limited	1,270	£0
Plymouth College of Art	1,520	£0
Point Blank Limited	545	£0
The Queen's Foundation for Ecumenical Theological Education	185	£0
Ravensbourne University London	2,375	£0
Rose Bruford College of Theatre and Performance	650	£0
Royal Academy of Dramatic Art	200	£0
The Royal Academy of Music	820	£4,271,231
The Royal Agricultural University	1,085	£0
The Royal Central School of Speech and Drama	1,050	£4,461,126
Royal College of Art(The)	2,430	£4,461,126
Royal College of Music	855	£4,461,126
Royal Northern College of Music	865	£4,461,126
The Royal Veterinary College	2,265	£1,482,209
RTC Education Ltd	935	£0
SAE Education Limited	860	£0
Spurgeon's College	120	£0
St Mellitus College Trust	450	£0
St. George's Hospital Medical School	3,535	£0
Trinity Laban Conservatoire of Music and Dance	1,175	£4,461,126

# Annex C: proposed Specialist Panel terms of reference

The proposed Specialist Panel terms of reference outlined in this annex are subject to change based on the outcomes of the consultation. The final terms of reference will be approved by the Chair of the OfS board and will be published on the OfS website.

## Purpose

1. The purpose of the Specialist Panel is to:
  - a. Receive written submissions from providers that are eligible to be considered against the criteria for being world-leading.
  - b. Consider each submission according to published criteria for world-leading providers
  - c. Invite and consider references from referees nominated by providers and any other publicly available information that it considers relevant.
  - d. Make decisions about whether a provider meets the criteria for being world-leading.
2. The Specialist Panel will not make decisions about the allocation of funding.

## Membership

3. Panel members are appointed for the specific purpose of making decisions about whether a provider is world-leading in its specialism.
4. The chair will be a member of the OfS board.
5. At least one other member of the panel will be an OfS board member or an OfS director who will also act as Deputy Chair.
6. To ensure the panel is sufficiently informed about a specialism, it can seek specific advice from other experts in relevant discipline areas. Their recommendations will be considered by the panel, which will make the final decisions.

## Responsibilities of the panel

7. The Specialist Panel is a time-limited committee of the OfS board and has delegated authority to:
  - a. Make decisions about whether a provider is world-leading in its specialism, as outlined in the OfS's criteria.
  - b. Provide reports to the OfS board, following panel meetings.

## Duties of the OfS

8. The OfS commits to:
  - a. Providing appropriate support and resource to the panel to facilitate meaningful discussion and informed decision-making.
  - b. Ensuring the panel has access to appropriate resource in carrying out its duties.



## Meetings

9. The panel meetings will be conducted as follows:
  - a. Members are expected to conform to the standards set out in the OfS code of conduct.<sup>25</sup>
  - b. The quorum necessary for any decision of the Specialist Panel (whether taken during a meeting or by correspondence in lieu of a meeting) is three members, including at least the Chair or Deputy Chair.
  - c. Decisions of the panel will normally be made by consensus, but in exceptional circumstances a vote may be taken. The Chair of the panel has the casting vote in the event of a tie and should also aim to take account of the views of any absent members.
  - d. The panel can seek advice from other experts in relevant specialisms and those experts can be invited to join the meeting at the discretion of the Chair. Decisions will not be taken with these other experts in attendance.
  - e. Meetings of the Specialist Panel may be held in person or by video or teleconferencing (or any combination of such methods).
  - f. Agendas will be approved by the Chair with an invitation to any panel member to submit matters for inclusion on the agenda.
  - g. A formal minute will be taken of all panel meetings.
  - h. In lieu of a meeting of the Specialist Panel, decisions may be taken by correspondence (including by email).
  - i. The minutes of each panel meeting will be checked by the Chair, before being shared with the panel for approval.
  - j. In the absence of the Specialist Panel Chair, a meeting of the Specialist Panel will be chaired by the deputy chair.
  - k. The panel may have observers at the discretion of the Chair.

## Register of interests

10. A register of interests will be published on the OfS website.

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<sup>25</sup> See [www.officeforstudents.org.uk/media/026f9327-d606-4d0d-8b3d-8ee015a422d9/ofs-board-proceedings-and-code-of-conduct-november-2019.pdf](http://www.officeforstudents.org.uk/media/026f9327-d606-4d0d-8b3d-8ee015a422d9/ofs-board-proceedings-and-code-of-conduct-november-2019.pdf).



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