EXPLANATORY MEMORANDUM TO

THE HIGHER EDUCATION (REGISTRATION FEES) (ENGLAND) (AMENDMENT) REGULATIONS 2025

2025 No. 626

1. Introduction

1.1 This explanatory memorandum has been prepared by the Department for Education and is laid before Parliament by Command of His Majesty.

1.2 This memorandum contains information for the Joint Committee on Statutory Instruments.

2. Declaration

2.1 Minister Jacqui Smith, Minister for Skills at the Department for Education confirms that this Explanatory Memorandum meets the required standard.

2.2 Zoe Forbes, Deputy Director for Higher Education Quality, Regulation and Free Speech, at the Department for Education confirms that this Explanatory Memorandum meets the required standard.

3. Contact

3.1 Hayley Walker at the Department for Education. Telephone: 07825 503040 or email: hayley.walker@education.gov.uk can be contacted with any queries regarding the instrument.

Part One: Explanation, and context, of the Instrument

4. Overview of the Instrument

What does the legislation do?

4.1 These regulations increase the registration fees payable by registered higher education providers to the Office for Students (OfS) from the start of the 2025/26 academic year.

4.2 The increase in fees is needed to continue to appropriately fund significant and important work which the OfS will be undertaking in the coming academic year. This includes reopening registrations, activity on protecting public money, supporting financial sustainability, monitoring providers' compliance with their registration conditions, distributing grant funding, and preparing for the implementation of the Lifelong Learning Entitlement.

Where does the legislation extend to, and apply?

4.3 The extent of this instrument (that is, the jurisdiction(s) which the instrument forms part of the law of) is England and Wales.

4.4 The territorial application of this instrument (that is, where the instrument produces a practical effect) is England.

5. Policy Context

What is being done and why?

5.1 The OfS primarily funds its operating costs through registration fees charged to registered higher education providers. This model is common amongst regulators: without registration fees, the OfS would have to rely heavily on government to fund its operating costs. The principle that the bodies being regulated should fund the costs of their regulation is government policy and follows good practice as set out in Managing Public Money[1]. An overview of how this funding is used can be found in the OfS's Annual Report and Accounts[2], published annually.

5.2 The OfS's ongoing registration fees currently range from £0[3] to £214,485 per provider per annum, depending on the number of full-time equivalent students at the provider. These regulations will increase the OfS's registration fees from the start of the 2025/26 academic year. This increase is needed to continue to appropriately fund significant and important work which the OfS will be undertaking in the coming academic year. This includes registering new providers, activity on protecting public money, supporting financial sustainability, monitoring providers' compliance with their registration conditions, distributing grant funding, and preparing for the implementation of the Lifelong Learning Entitlement.

5.3 These regulations will increase ongoing registration fees by £1.2 million in total, an increase of 3.9%.

5.4 The fees prescribed by these regulations continue to be determined by reference to the number of full-time equivalent students at that provider.

Table of registration fees per band

Column 1	*Column 2*	*Column 3*	*Column 4*
Fee band	**Number of full-time equivalent students**	**AY24/25 Fee**	**AY25/26 Fee**
A	No more than 25	£14,220	£14,775
B	More than 25 but no more than 50	£17,597	£18,283
C	More than 50 but no more than 75	£22,041	£22,901
D	More than 75 but no more than 100	£27,611	£28,688
E	More than 100 but no more than 300	£34,543	£35,890
F	More than 300 but no more than 500	£43,312	£45,001
G	More than 500 but no more than 1,000	£54,332	£56,451
H	More than 1,000 but no more than 1,500	£68,197	£70,857
I	More than 1,500 but no more than 2,500	£85,616	£88,955
J	More than 2,500 but no more than 5,000	£107,598	£111,794
K	More than 5,000 but no more than 10,000	£135,327	£140,605
L	More than 10,000 but no more than 20,000	£170,344	£176,987
M	More than 20,000	£214,485	£222,850

[1] https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/742188/Mana%20ging_Public_Money__MPM__2018.pdf

[2] https://www.officeforstudents.org.uk/media/0rxbaumq/ofs-annual-report-and-accounts-2023-24.pdf

[3] With a micro provider exemption – see Section 9.4 of this memorandum.

What was the previous policy, how is this different?

5.5 The OfS's registration fees were initially set in 2019, with the laying of the 2019 regulations. On 10 September 2020, with agreement from the OfS, the government announced its intention to reduce the registration fees by 10% in real terms over two years, in recognition of the fact that higher education providers were operating in a difficult financial environment caused by the COVID-19 pandemic. However, as inflation rates for financial year 2021-2022 were unusually low, the OfS and government agreed to a 3% real terms reduction in fees from 1 August 2021. This reduction was given effect under the 2021 regulations. A further reduction of the remaining 7% in real terms was planned for the 2022/23 academic year but was not delivered because of the need for the OfS to deliver on new priorities, including revised conditions of registration in relation to quality and standards, new approaches to the Teaching Excellence Framework and access and participation, and a statement of expectations on harassment and sexual misconduct. The OfS's registration fees therefore remained the same for the 2022/23 academic year, at the level set for the 2021/22 academic year.

5.6 In 2023, registration fees were increased to fund new responsibilities including the implementation of the Higher Education (Freedom of Speech) Act 2023, which involved developing guidance, establishing a free speech complaints scheme, and revising registration conditions, and taking on the functions previously carried out by the designated quality body (DQB), following the de-designation of the Quality Assurance Agency for Higher Education. This included the assessment of quality and standards and associated infrastructure costs.

5.7 These regulations increase the fees by 3.9% in comparison to the level set for the 2023/24 academic year. All previous policy, with exception to the registration fees themselves will remain the same.

6. Legislative and Legal Context

How has the law changed?

6.1 Section 1 of the Higher Education and Research Act 2017 (HERA) established the OfS as the regulator for higher education in England. Section 3 of HERA requires the OfS to establish and maintain a register of English higher education providers. Section 70(1) of HERA provides that the OfS may charge an institution a fee for its initial registration to the register and/or its ongoing registration for each period of twelve months in accordance with regulations made by the Secretary of State. Section 70(2) and (3) specify the matters which may be included in such regulations. By virtue of section 70(4), such regulations may only be made with the consent of the Treasury. Section 72(1) provides that the OfS must pay its fee income to the Secretary of State except to the extent that the Secretary of State, with the consent of the Treasury, directs otherwise. "Fee income" is defined by section 72(2) to include sums received by way of fees charged under section 70, as well as costs recovered.

6.2 The Higher Education (Registration Fees) (England) Regulations 2019[4] ("the 2019 Regulations") were made under section 70 of HERA, and provide for the payment of initial and ongoing registration fees to the OfS. The 2019 regulations were previously amended by:

[4] https://www.legislation.gov.uk/uksi/2019/543/contents

- The Higher Education (Registration Fees) (England) (Amendment) Regulations 2021[5] ("the 2021 Regulations") to reduce the registration fees payable from 1 August 2021 by 3%.

- The Higher Education (Registration Fees) (England) (Amendment) Regulations 2023[6] ("the 2023 Regulations") to increase the registration fees payable from 1 August 2023 by 18%.

6.3 This instrument amends the 2019 regulations to increase the registration fees payable from 1 August 2025.

Why was this approach taken to change the law?

6.4 This is the only possible approach to make the necessary changes.

7. Consultation

Summary of consultation outcome and methodology

7.1 A fee review was carried out with representative bodies from the higher education sector ahead of the Minister's decision on the level at which to set the registration fees, and the laying of these regulations. This review was carried out via virtual meetings.

7.2 Representative bodies raised some concerns about the impact of any fee increase on providers and students in the current economic climate, including on smaller providers and further education colleges. However, there was universal acceptance of the fact that fees were necessary to support effective regulation.

7.3 The 2019 regulations provide for fee reductions for new providers in their first three years of registration and an exemption for micro providers. These provisions will not be affected by these regulations.

7.4 The 2019 regulations also allow the OfS flexibility to collect fees in instalments, thereby easing the burden on institutions. These regulations will not affect this.

8. Applicable Guidance

8.1 Guidance will be issued by the OfS in mid-June 2025 which will outline the process and timeline for payment of registration fees by registered providers.

Part Two: Impact and the Better Regulation Framework

9. Impact Assessment

9.1 A full Impact Assessment has not been prepared for this instrument because it has a low level of impact per business which falls below the +/-£10 million equivalent annual net direct cost to business threshold for producing a full impact assessment.

Impact on businesses, charities and voluntary bodies

9.2 There is no, or no significant, impact on business, charities or voluntary bodies.

9.3 There is no, or no significant, impact on small or micro businesses.

[5] https://www.legislation.gov.uk/uksi/2021/304/made

[6] https://www.legislation.gov.uk/uksi/2023/558/contents/made

9.4 To further minimise the impact of the requirements on small or micro businesses (employing up to 50 people), the 2019 regulations, which this instrument amends, contains a micro-entity exemption. This exemption will continue to protect the very smallest higher education providers from the cost of fees by providing a 100% exemption. An institution will continue to qualify for this exemption if it meets the criteria for a micro-entity under section 384A of the Companies Act 2006[7] and has 300 or fewer full-time equivalent students.

9.5 There is no, or no significant, impact on the public sector.

10. Monitoring and review

What is the approach to monitoring and reviewing this legislation?

10.1 The approach to monitoring this legislation is via annual review. The level of the OfS registration fees for academic year 2026/27 will be considered during academic year 2025/26.

10.2 The instrument does not include a statutory review clause because the relevant requirements of the Small Business, Enterprise and Employment Act 2015 do not apply to provisions imposing fees.

Part Three: Statements and Matters of Particular Interest to Parliament

11. Matters of special interest to Parliament

11.1 The specific fee increase is based on the financial requirements of the OfS, rather than being directly indexed to inflation. During the policy development and financial planning process, the OfS identified and implemented substantial efficiencies and savings. These measures have helped to significantly limit the increase so that it remains broadly in line with inflation. However, due to in-year cost variability, the increase is slightly above the current Consumer Prices Index (CPI) rate. The registration fee levels for the 2026/27 academic year will be reviewed during the 2025/26 academic year.

12. European Convention on Human Rights

12.1 As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

13. The Relevant European Union Acts

13.1 This instrument is not made under the European Union (Withdrawal) Act 2018, the European Union (Future Relationship) Act 2020 or the Retained EU Law (Revocation and Reform) Act 2023 (“relevant European Union Acts”).

[7] https://www.legislation.gov.uk/ukpga/2006/46/contents