

Education and Training Committee, 6 September 2018

Reviewing education quality assurance

Executive summary and recommendations

Introduction

The Committee has previously discussed that a review of various education functions should be carried out to ensure the approach and processes remain fit for purpose to fulfil our statutory duties in this area. The Committee have also discussed exploring options around the charging of fees for education related activities. The following papers Included here outline proposals to progress work in these areas:

1. Appendix 1 – Review of our quality assurance approach to education

This paper is intended to progress the Committee’s discussions around a fundamental review of the principles underpinning our approach to the quality assurance of programmes leading to registration and / or entitlements.

We put forward proposals around how this review could be conducted, and how we envisage involving key stakeholders in the review process. The outcomes of this work are strategic in nature, with the overall aim being to ensure we are positioned appropriately within the education sector to fulfil our regulatory responsibilities for the foreseeable future. It is envisaged that the outcomes of this work will lead (where necessary) to more specific business process and guidance changes in future years.

Background information

- [Education research, Education and Training Committee paper, 12 June 2017](#)

2. Appendix 2 – Review of our education programme approval process

The Committee has previously discussed the review of our approval and monitoring processes, particularly the processes underpinning the approval and re-approval of programmes. This paper is intended to set out our plans to review the approval process in full. The intended purpose, objectives and overall scope for review,

involvement of key stakeholders, and indicative timescales are discussed in this paper.

This review is quite operational in its nature, and as such can be conducted in parallel with the activities outlined in Appendix 1. Given the timescales for this work, outcomes could be realised and implemented towards the beginning of the next financial year, and well before any further changes may be required following the fundamental review of our quality assurance approach.

3. Appendix 3 – Fees in education

The Committee has previously considered a paper addressing this topic at their November 2017 meeting, and have held a follow up discussion at their meeting in June 2018. It was agreed that a further paper should be considered around options for charging fees in the area of education. This paper is intended to set out a number of options around models for charging fees and their relative merits and impacts. The paper is intended to progress the Committee's discussions on this matter to inform their overall view regarding the feasibility of charging fees, the principles driving this endeavour, and a preferred fee charging model. The Committee may wish to delay any further decisions around this topic until such time as the reviews outlined in Appendix 1 & 2 are completed.

Background information

- [Fees in education: an initial discussion paper, Education and Training Committee paper, 23 November 2017](#)

Discussion

Given the interrelated nature of these papers, the Committee is invited to discuss each in turn, before reaching decisions around how they would like to proceed on each piece of work. In particular, the Committee are asked to consider the following discussion points:

1. Does the Committee have any further comments regarding the scope, review activities and timescales of both review projects, as set out in Appendix 1 & 2?
2. Does the Committee agree that both reviews can be conducted in parallel?
3. Does the Committee have a preferred model of fee charging based on the proposals set out in Appendix 3?

4. Does the Committee have a view on when they would like to further consider fee options? For instance, would the Committee prefer to wait until the review projects are completed?

Decision

The Committee are asked to agree the following:

- a. The scope, review activities and timescales of our quality assurance review, as set out in section 3 and 4 of Appendix 1 – ‘Review of our quality assurance approach to education’
- b. The scope, review activities and timescales of our approval process review, as set out in Appendix 2 – ‘Review of our education provider programme approval process’
- c. Further directions to the Executive around fee charging proposals and the timescales associated with this work, as set out in Appendix 3 – ‘Fees in education’.

Resource implications

- Both review projects has been included with the Education Department work plan, with appropriate resources allocated to manage its delivery.

Financial implications

- Partner costs to involve visitors in key approval process review activities will be covered through the Education Department budget in 2018-19 financial year.
- Committee member involvement in review activities may incur additional costs not yet budgeted for in this financial year
- Consultation and wider stakeholder activities resulting from any outcomes of the review work will be budgeted for in the next financial year.

Date of paper

1 August 2018

Appendix 1 - Review of our quality assurance approach to education

1 Introduction

- 1.1 The current approach to education quality assurance has been in place since around 2005. At that time, the organisation also introduced our education standards, and with these combined, established our overall approach to education quality assurance. Revisions to our education standards are routinely scheduled, the most recent of which were completed in 2011 and 2017. No significant review of our overall quality approach has been undertaken during this time.
- 1.2 When the quality assurance processes were first developed and introduced, the organisation and healthcare education sector could be broadly contextualised by the following points:
- we regulated fewer professions and a small number of post-registration programmes;
 - programmes across the UK were generally commissioned on an annual basis, providing alignment between learner numbers and placement capacity;
 - links between regulatory programme approval and professional body accreditation were closely aligned;
 - healthcare education policy was broadly consistent across the UK;
 - the quality levers in place within the education were exercised by many organisations (e.g. Quality Assurance Agency conducted subject and institution level review);
 - the issue of 'burden' and 'over-regulation' was discussed regularly within the sector;
 - all approved education providers were higher education institutions (with exception of some ambulance trusts delivering paramedic education); and,

- the Education and Training Committee had a wide and varied membership, consisting of at least one registrant per profession, and a mix of education, service delivery and lay experience.
- 1.3 This context heavily influenced how our education standards and quality assurance processes were structured, in order to compliment the sector structures and processes which already existed within it.
- 1.4 The Committee will note the landscape today differs in many regards, particularly around the scope of professions and entitlements we regulate, the diverse range of education providers we engage with, the market led approach to healthcare training (primarily in England) and the changing landscape for how the higher education sector is regulated.

2 Principles of our current model of quality assurance

- 2.1 Despite this changing landscape, our approach has remained in place and largely unaltered since its inception. This has up until this point, provided a consistent and flexible quality assurance approach for the professions and entitlements we regulate. This approach is underpinned by the following principles:

Risk-based quality assurance

- 2.2 The approval and monitoring processes are operated around the identification and management of risks to our education standards being met. Education providers are required to meet all standards to be approved, and are then required to engage with our monitoring processes which consider incremental and / or significant changes to programmes over time.
- 2.3 This approach means we will not revisit a programme following approval on a cyclical basis. Instead, our approval and re-approval activity focuses on new programmes, and approved programmes undergoing significant change and / or presenting significant risks, where an approval visit is most proportionate to conduct an effective assessment against our standards.

One size fits all

- 2.4 Our quality assurance approach is applied consistently across all programmes, regardless of:
- the related professions and/or entitlements;

- the outcomes reached; or,
- the type of education provider we are engaging with.

2.5 This means we assess an education provider with a track record of delivering approved programmes in the same way as a new education provider, or one seeking to deliver a new model of training, perhaps outside of a more 'traditional' higher education model. Also, the complexities identified (e.g. through the nature and number of conditions applied to approval) in how our standards are met does not lead to any different outcomes. All programmes either receive and remain approved on an open-end basis, or are simply not approved.

Open-end approval

2.6 We approve programmes on an open-ended basis. This means they will remain approved, subject to the education provider engaging with our monitoring processes (annual monitoring, major change, concerns). These processes in effect are operated to identify and manage on going risks to a programme following approval. At any point, the Committee can decide, as an outcome of our monitoring activities, to revisit a programme, which can as an outcome lead to withdrawal of approval. This approach does however mean some programmes may never be visited again following our first approval process.

Flexible standards

2.7 Our standards apply a broad framework for the delivery of education and training for professions and post-registration practice areas which we regulate. The standards are focused on outputs, meaning we are not prescriptive about how a programme is delivered (within the limits of the standards themselves). This in theory means we could approve any model of training, as long as our standards are met at the required threshold.

2.8 The threshold is broadly set at that which is required to ensure individuals who complete the programme are safe, effective and fit to practice. The specifics of each standard then dictate how this threshold is deemed to be met, based on visitors judgement of evidence. As the standards are not prescriptive, visitors are required to apply their expertise and experience to determine if a standard is met. Members of the Executive are specifically appointed and trained to support visitors through this process in a consistent manner.

- 2.9 Whilst the education standards themselves aren't prescriptive, they do relate explicitly to the standards of proficiency, and to relevant curriculum guidance. These links ensure that all individuals who complete approved programmes can be judged to have met the requirements for registration (our SOPs), and that their programmes of training are fundamentally based on a core of professional consensus encapsulated in relevant curriculum guidance.
- 2.10 This approach means that variations in how standards are met can occur, often between programmes at different providers, and across different professions and areas of practice.

Focus on programme delivery, not just curriculum and assessment methods

- 2.11 Our education standards set out a framework for how a programme should be delivered, focusing on a range of areas (e.g. resourcing, teaching and practice environments, learner support mechanisms). This is in addition to assessing what a programme's curriculum and assessment strategy should include. This approach emphasises the link between the quality of teaching and learning environments and the effectiveness of teaching and assessment activities in ensuring individuals meet the SOPs upon completion of the programme.

Responsibility placed on education provider to quality assure all aspects of the programme

- 2.12 Our standards are structured in such a way which requires to education provider to hold full responsibility for all areas of the programme (including practice-based learning). To ensure an approved education provider is capable of holding such responsibility, our education standards often require that policies and processes are in place which ensure the required quality across all areas of a programme is achieved and maintained for as long as the programme remains approved by us.
- 2.13 This means, for example, we do not directly assess the quality of practice-based learning during an approval visit or subsequently through our monitoring processes. Instead, we assess the practice based learning policies and procedures in place and the education provider's relationships with practice-based learning providers. In doing so, visitors determine whether or not the education provider has, and will continue to be able to ensure practice-based learning is delivered to the quality required to ensure both learners and service users are effectively supported.
- 2.14 This approach means we can effectively be satisfied that the education provider has all the structural elements, policies and processes in place to deliver the

programme as we have approved it. We can then focus on any changes to this model made in the future and assess these through our monitoring processes.

- Relying on data already available from the education provider

2.15 Our standards and processes are structured in such a way to ensure where possible that we are only ever asking for data that an education provider would already produce through the preparation, delivery and review of their approved programme.

2.16 This approach means we gather data which is very specific to our regulatory function and the requirements of our processes. This data is also often received in an unstructured format, used only for review by visitors, making the data more challenging to integrate for broader trends. We rarely ask education providers for further data beyond the scope of our operational processes. When we do, it is usually designed to receive feedback about our processes, or as part of managing a programme of work for specific professions (e.g. biennial education provider survey, SET 1 paramedic data gathering to inform planning).

3 Areas to consider for a review of quality assurance

3.1 We propose that a quality assurance review work should focus on the principles set out in section 2, and in doing so, seek to understand whether they are:

- fit for purpose in today's healthcare environment; and,
- appropriate to support us performing our statutory functions around the setting of education standards and the approval and monitoring of programmes leading to registration and entitlements.

3.2 In addition to this, our review work should also be structured to understand:

- the advantages and disadvantages of our current approach to education quality assurance;
- the opportunities available to reduce burden; and,
- the opportunities there may be to further use the data we hold and work more collaboratively with other regulators and sector related bodies.

3.3 The following table sets out these principles and questions which could be asked to support a critical analysis of our current approach. Although not

exhaustive, the areas outlined below (and anything further identified by the Committee) will be used as the basis to structure any review activities (set out in further detail in section 4).

Principle of quality assurance approach	Areas to consider
Risk based	<ul style="list-style-type: none"> • Is the identification of risk the most effective way to operate our quality assurance processes? • Should risk identification be enhanced through our processes? • Should we manage some risks differently to others (e.g. risks in placement quality vs risks in admissions?)
One size fits all	<ul style="list-style-type: none"> • Should we assess education providers differently? • What factors could we use to differentiate education providers and programmes for assessment? • Should we reach different outcomes through our processes? • How would outcomes be differentiated and on what basis would we apply them?
Open-end approval	<ul style="list-style-type: none"> • Should we continue to offer open-ended approval? • Should we introduce cyclical approval of approved programmes? • Should we offer different types of approval based on certain outcomes and risks?
Flexible standards	<ul style="list-style-type: none"> • Are there areas of the standards where we should be more prescriptive? • Should we require greater adherence to relevant curriculum guidance? • Should we require programmes to be more consistent in their model of delivery? • Should we set education standards generically across all professions, or should we create profession-specific standards?

Standards focus	<ul style="list-style-type: none"> • Should we focus on curriculum and assessment methods only? • Are there areas of the standards which are not required for regulatory quality assurance?
Responsibility for quality assurance	<ul style="list-style-type: none"> • Should we adjust the level of responsibility placed on education providers? • Are there programme areas where we should take more assurance through our processes than we currently do?
Using data to inform our quality assurance approach	<ul style="list-style-type: none"> • Should we gather more data from education providers? • For what regulatory purposes should further data be gathered? • Should we rely on data from other organisations to inform our regulatory functions around education?

4 Proposed review approach

- 4.1 It was originally proposed that research would be undertaken to inform our review of the quality assurance processes¹. The proposal, last considered by the Committee in 2017 remains uncommissioned, due to a lack of viable proposals received through tender. This paper moves discussions around the review method forward, and at its core proposes a more stakeholder led approach.
- 4.2 The Council of Deans for Allied Health, Nursing and Midwifery represent a wide range of approved education providers delivering programmes leading to registration with us. The CoDH also recently presented to the Committee in June around the current landscape of healthcare education. Although not fully representative of all education providers we approve (e.g. private and employer led providers, social work providers) they are certainly a close stakeholder whose interest and expertise in the education area could prove valuable to addressing some of the points raised in Section 3.
- 4.3 We have informally discussed working jointly with the CoDH to progress our quality assurance review, and they have indicated an interest in being involved. We envisage their representation would comprise of CoDH subject experts and

¹ ETC June 2017, 'Education research' - <http://www.hcpc-uk.org/assets/documents/10005419Enc03-Educationresearchapproachtoeducationqualityassurance.pdf>

representatives from their membership body (i.e. Deans or suitable representatives from allied health education programmes).

- 4.4 We also think it will be important to involve the wider sector in our work, and this could be achieved through a mix of public consultation and further stakeholder workshops once proposals around enhancing our current quality assurance approach have been agreed by the Committee. This activity could encompass engagement with other sector bodies, employers, learners and service users. Finally, the Committee itself may also wish to have more direct involvement with the review process, perhaps with suitable members identified to be a part of any joint stakeholder work with the CoDH.
- 4.5 With these points in mind, we propose the following activities be undertaken to review the quality assurance approach:

Review activity	Indicative timescales
HCPC / CoDH working group	September 2018 – March 2019
Analysis of working group proposals	April – May 2019
ETC paper around proposals	June 2019
ETC agree consultation paper	September 2019
Consultation on proposals and wider stakeholder engagement	September – December 2019
ETC review of consultation outcomes and implementation arrangements	March 2020

- 4.6 Supporting this work will be factored into the Education Department work plans for this financial year. Further consultation and stakeholder engagement activities will be factored into future budget and work plan cycles.
- 4.7 At this stage, the initial working group activities have been allocated a longer timescale for completion. It may be the case that the initial working group review can take place within a shorter time period, but this depends on availability of members to support the review. We also anticipate needing multiple review meeting to discuss the broad areas outlined in this paper.

Appendix 2 - Review of our education programme approval process

1 Introduction

- 1.1 The approval process was last reviewed in full in 2015 as part of work undertaken to deliver new back office systems within the Education Department.
- 1.2 Since this time, we have made Incremental changes to this and other business processes, following the introduction of internal quality assurance processes to the department. This internal review activity has resulted in the following examples being implemented to improve the approval process:
 - Revised approval visit request form: this form now gathers more accurate and timely information about the programme(s) being proposed for approval, and the education provider's readiness to commence our approval process.
 - Multi-professional visit assessment matrix: this is internal operating guidance for managers around scheduling multi-professional visits, to ensure we have enough resources and an appropriate level of expertise and experience across the visitor panels.
 - Revised Education and Training Panel decision notices – updates made to provide clarity and guidance around how decisions regarding referrals to approval visits and further visits is recorded.
 - Revised standard visit agenda – updates made to provide guidance around the purpose of each meeting and the programme stakeholders we would expect to meet with.
- 1.3 Following discussions around the results of our recent education provider survey, the Committee indicated a full review of the approval process would be beneficial to ensure it remains fit for purpose for the foreseeable future.
- 1.4 The Executive proposes to carry out this review based on the information set out in this paper. We intend to gather in a range of views to inform any changes made and also look to improve internal processes supporting programme approval and re-approval.

- 1.5 We propose to conduct the approval process review over quarters 3 and 4 of this financial year, with a view to rolling out the revised process in time for the 2019-2020 academic year.

2 Purpose and objectives for the review

- 2.1 The purpose for conducting the review is to ensure the approval process remains fit for purpose as the most intensive quality assurance mechanism used to assess new and existing programmes against our education standards.

- 2.2 In reviewing the approval process to be satisfied it is 'fit for purpose', we specifically want to ensure:

- the outcomes we reach throughout the process are consistent and transparent;
- our requirements for approval are clear and easily understood;
- we operate the process in an efficient and proportionate manner;
- the process meets the expectations of stakeholders; and,
- the process compliments the structures and broader education sector that it is being applied within.

- 2.3 To achieve this overall purpose, the end to end review will be structured to fulfil the following objectives.

1. To revise our external guidance and communications (e.g. website information, publications, emails) to ensure these support and improve education providers understanding of the approval process.
2. To review our internal business processes and guidance to ensure these support improved efficiency and accuracy in the Executive's management of approval process cases.
3. To develop our approval visit agendas, required stakeholder meetings and different visit types (e.g. multi-professional, entitlements), ensuring these remain appropriate and proportionate to deliver an effective and efficient quality assurance mechanism for the approval of programmes.
4. To analyse visitor involvement throughout the approval process, identifying areas where consistency around visitor enquiries and recommendations can be improved, and where performance issues can be minimised.

5. To develop and implement withdrawal of approval / non-approval of programmes processes, ensuring these provide clarity and consistency to all stakeholders involved, particularly for Committee members and education providers.

3 Gathering feedback and evidence

3.1 The approval process review will include within scope the following sources of feedback and evidence to inform any changes:

- Feedback from visitors
- Feedback from Committee members
- Feedback and outcomes from education provider biennial survey and action plan
- Feedback from employees involved in the approval process
- Approaches taken by other regulators and professional bodies around programme accreditation / approval
- Legal advice around the application of withdrawal / non-approval of programmes

4 Key review activities

4.1 The following are an indication of the types of activities that will be undertaken to support the review of the approval process review.

- Survey of all visitors to obtain their feedback around a range of areas related to the approval process
- A focus group with a small selection of visitors which represent registrant, lay, education and practitioner based views
- A workshop with Committee members around key areas of the approval process
- A desk-based review of education provider feedback from biennial survey
- Workshops and feedback activities with employees around internal business processes for the approval process
- A desk-based review of external guidance and publications
- A desk based review and further discussions with regulators and professional bodies around their accreditation / approval processes

5 Outcomes and implementation

5.1 At the conclusion of the review, we will aim to produce the following.

- Revised internal and external processes and guidance for the approval process
- A thematic paper to ETC discussing key changes to the approval process and a summary of the evidence / feedback any such changes are based on
- An action plan around implementation of various changes and plans to monitor their effectiveness

5.2 Following implementation and completion of the review, it is envisaged that the changes made will be monitored for effectiveness using the following mechanisms.

- Regular quality assurance case audit outcomes related the approval process (audits conducted by the Quality Assurance Department)
- Biennial education provider survey in 2019-2020
- Formal stakeholder feedback received through organisation wide process
- Feedback from visitors, employees (through training, meetings and ad-hoc discussions) and committee members

6 Timescales for the approval process review

6.1 The following are the broad milestones and indicative timescales for the completion of the approval process review. Following agreement by the Committee, a detailed project plan will be put in place to manage this review within the department based on these proposals.

Milestone	Indicative timescales
ETC agree review proposals	6 Sept 2018
Review and feedback activities	Sept 2018 – Jan 2019
ETC paper reviewing outcomes and changes	Mar 2019
Implementation of outcomes	Apr 2019 onwards

Appendix 3 - Fees in education

1 Introduction

1.1 The paper considered in November 2017 outlined a number of areas which informed the Committee's discussions around this topic:

- The legal context provided by the Health Social Work Professions Order (2001) regarding the powers available to charge fees;
- The Law Commissions views regarding the powers regulators should have with regard to charging for education activity.
- The Department of Health and Social Care consultation 'Promoting professionalism, reforming regulation', with the reforms focusing in part on delivering more efficient regulation ;
- The legislative powers for Social Work England to charge fees in the area of education
- The current landscape regarding fee charging for education related functions across UK health and care professional regulators.

In addition to this paper, the Committee are also considering two separate papers around the education function at its September 2018 meeting:

- A scoping paper regarding a comprehensive review of the quality assurance of education by the HCPC. This review will consider core principles around our approach to education to ensure it remains positioned appropriately within the current regulatory and education landscape.
- A paper detailing our plans to review the approval process in full. This review will gather further feedback from visitors, education providers and the Committee to inform the development of this process in the future.

1.2 This paper will not repeat the information set out elsewhere, other than to affirm to the Committee that:

- the ability to charge fees for education related activities exists currently within the Health and Social Work Professions Order, however this would require a rules change which would be subject to Privy Council approval;
- the broader sector discussions which consider future regulatory models and practices includes consideration around regulators charging fees for education functions;
- if we did charge fees for education activities in the future, we would be one of only two UK healthcare professional regulators to do so; and
- our own work to review and development our approval and monitoring function should provide a sound base to consider how fees made be introduced in the future.

2 A review of fees charged by other organisations in UK health and care for education related activities

2.1 Based on previous discussions, the Committee requested further information about the fees charged by other organisations with similar/related roles within the healthcare education sector.

2.2 The table below sets out fees charged by a sample of relevant UK bodies with an interest in the area of healthcare education. The sample includes a range of organisations carrying out different roles in the education sector which are akin to or complement our own regulatory function.

Table 1 – Fees charged by other relevant organisations for education related activities / services

Organisation	Role within sector	Fees charged	Commentary
British Psychological Society	Professional body	Annual subscription: <ul style="list-style-type: none"> • £1420 per domain • Visit fees: £875 one day £1315 for two days 	Mixed model of charging fees based on per assessment costs and an annual subscriber fee.
The College of Podiatry	Professional body	No fee charged currently for pre-registration and post-registration accreditation:	

Quality Assurance Agency	Sector regulator	Annual education provider subscription fee: Band range: £2,800-£45,000` Other income sourced through contract services to education providers and other agencies.	Institutions charged based on overall student numbers
Office of the Independent Adjudicator	Sector regulator	Annual education provider subscription fee: <ul style="list-style-type: none"> • HEIs fee range: £400-£107,000 • FEs fee range: £300-£75,000 Annual case related fees (Points based threshold system) £190 for each point incurred above each threshold band (A-H)	Fees charged based on HE/FE categories. Institutions then charged based on overall student numbers OIA also charge case fees based on the number of complaints they receive which relate to the subscriber organisation.
General Pharmaceutical Council	Professional regulator	MPharm degree accreditation fee: £10,000-£12,000 (on average)	Fee charged for initial accreditation visits only, based on a cost recovery model.

2.3 A variety of models are used throughout the sector. Where subscriber models are used, this is usually the organisation's primary source of income, which is used to fund a range of quality related activities and broader services to education providers (e.g. CPD programme accreditation, curriculum guidance, specialist interest groups, learning and teaching resources). Higher education and further education institutions are the main target market for organisations operating a subscriber led model. Some organisations have legislative powers which require education providers to be 'members' (e.g. OIA).

- 2.4 The OIA offer an interesting model around how complaints are managed based on a points based system for education providers. This incentivises education providers to resolve disputes with students effectively and to their satisfaction to avoid escalation to the OIA.
- 2.5 The only cost recovery model in place is with the GPhC, whose main source of income is gathered through registrant fees. GPhC's fee charging model works on the principle of charging new schools only, as they are yet to produce graduates who will register and start contributing to the profession. Conversely, they do not charge for reaccreditation because providers are already contributing to the register with the throughput of successful graduates who pay a registration fee, and also make contributions to the wider profession.

3 Principles underpinning charging for education related activities

- 3.1 The Committee should first consider the principles which may underpin how a model of fee charging is further developed. This should provide a clear framework to guide how and when fees might be charged, how differentiation might be made and the measures used to distinguish between education providers. This should also drive how the education function might look to develop over time, and whether it remains solely focused around core regulatory duties regarding programme approval, or whether further services may be developed in addition.
- 3.2 This paper sets out four broad approaches to the charging of fees for education related activities. There of course may be other options the Committee may also wish to discuss to inform their overall approach.

Option 1: Fees should be charged to recover all or some of the direct costs associated with delivering all or some of the education approval and monitoring activities.

- 3.3 By direct costs, we mean costs directly related to operation of our quality assurance processes (e.g. visitors fees). In adopting this approach, the registrant fee would continue to fund the majority of indirect costs associated with delivering the education function (e.g. payroll, infrastructure and equipment, organisation and education specific overheads). Broadly speaking, this approach would allow for consideration around various fee models:
- Flat fees charged per process at the point of engagement
 - Variable fees (covering actual direct costs incurred) charged following the conclusion of a quality assurance activity

- A subscriber based fee charged at regular intervals to all education providers delivering approved programmes
- A mixed model of fee charging which includes some or all of the preceding options (e.g. a subscriber led model to cover monitoring costs coupled with a flat fee for new programme approval).

Option 2: Fees should be charged to support all direct and indirect costs associated with delivering the education function.

- 3.4 In adopting this approach, the fees charged to education providers would fund all costs (direct and indirect) associated with delivering the education function. In doing so, the Committee would need to consider the potential impact on the registrant fee and whether this would be readjusted to account for this (as part of this fee is currently used to support these activities).
- 3.5 This approach would lend itself more to a subscriber based model as it would provide a more predictable source of income upon which education activities can be operated. A subscriber based approach could also provide more scope in the future to expand the services provided from the education function. This approach could also be coupled with additional process specific fees, particularly where education providers are new to the HCPC.

Option 3: Fees should be charged for new education providers and programmes only, as they are yet to produce graduates who will be providing us with a registrant fee.

- 3.6 This approach, currently adopted by the GPhC, looks to charge education providers who are not currently contributing to the regulatory body through registrant fees. A flat rate or cost recovery model would be suitable to support such an approach. This would also fit with our current approval and monitoring model, as we would normally exempt a programme from their first year of annual monitoring following approval (as the programme needs to be running for at least one year before engaging with this process).

Option 4: The education function and related activities should continue to be funded through the registrant fee.

- 3.7 This approach maintains the current approach, whereby a small percentage of the registrant fee is used to fulfil our statutory responsibilities around education quality assurance.
- 3.8 Currently, education providers do not incur costs for their engagement with our approval and monitoring functions. Where activities are cancelled (e.g.

cancelled approval processes), costs already incurred are effectively sunk. This approach does lead to a risk around being used as a 'consultancy' service for regulatory approval. However, our annual report data indicates the overall rate of cancellations through the approval process is relatively low.¹

Impacts to consider around charging fees

- 3.9 This section focuses on possible impacts associated with adopting a fees based approach to working with education providers. These impacts will be felt to greater or lesser degrees, depending on the overall approach the Committee wish to adopt around any fees charged. Broadly, we need to consider how the nature of our relationship with education providers will change through the charging of fees, and also consider how their expectations of us may be altered. We also need to consider the impacts to the broader sector and how our approach may influence current and future trends in healthcare related education and training.

We will increase education provider's expectations around customer service, responsiveness and support.

- 3.10 This will have implications for how we operate, the infrastructure and technology we based our operations on, and how we choose to resource the education function to continue to meet the needs of education providers over time.

We will introduce a greater level of scrutiny to our decision making processes and the decisions we take in individual cases.

- 3.11 Regardless of the model adopted, our relationship to the education providers may change with regard to our quality assurance of their programmes. Fee charging may create an expectation that we provide more support through our processes, with the level of support and expectations around this likely linked to the cost being charged. This may impact on decision making through the processes, and we may find it more difficult to manage unfavourable outcomes (or perhaps the perception of our role in reaching them).

We will create new incentives / disincentives for education providers to engage with us.

¹ We considered 114 programmes for approval in the 2016-17 academic year. Of these, 11 programmes withdrew their request for approval or cancelled the visit prior to it being held.

3.12 Depending on how fees are structured, we may reduce the amount of 'free consultancy' on offer through the approval process. However, education providers could also be more encouraged to apply for approval, expecting the regulator to 'partner' with them through the development of their programme. We may also find engagement with our monitoring processes is impacted as education providers may feel they have 'paid' to maintain their approval with us.

We will need to introduce and enforce sanctions / punitive measures in the event of non-payment

3.13 This could simply mean not progressing with a process around approval, until a fee is received. However, for programmes already approved, we would need to be clear around how unpaid fees may impact on the approval of a programme. Put simply:

- Would we withdraw approval from a programme due to non-payment of a fee?
- Would we withhold assessment of an annual monitoring audit?
- Would we trigger an approval process due to non-payment?

3.14 At present, we rarely need to withdraw approval from a programme based on our current quality assurance approach. Charging fees may make this outcome more likely, and with it carries the risk that we incur more costs as a result (e.g. our duties to re-house current learners under the HCSW Order, legal costs around withdrawing approval).

We may introduce unintended consequences to how healthcare programmes are delivered within the sector.

3.15 This would include consideration that:

- The profile of education providers engaging with us may be narrowed to more established institutions, in effect skewing the market towards higher education led provision.
- Smaller professions may find the breadth of provision within their sector narrowing, making some professions more vulnerable around available training routes.
- The healthcare sector may not be able to be as responsive to workforce challenges due to regulatory barriers.

3.16 **Discussion:** The Committee should discuss the points raised around key principles and possible impacts and seek to establish a preferred position to charging fees for education related activities.

4 An overview of possible fee charging models

4.1 The remainder of this paper will discuss the possible fee charging models which could be developed in the future.

4.2 Considering the common sector approaches used to charge fees (included table 1), if the Committee were to pursue charging fees, there are four likely options for how fees could be gathered:

- Flat fee model
- Actual cost model
- Subscriber led model (with or without differentiation)
- Combination model (e.g. Annual subscription plus flat fee for particular processes)

4.3 The table below breaks down these four options further with permutations which could be considered through the implementation of each.

Table 2 – Characteristics and implementation considerations of different fee charging models

Fee charging model	Fee characteristics	Implementation considerations
Flat rate	<ul style="list-style-type: none"> • Fees determined by direct / indirect costs • Fees collected to cover direct / indirect costs associated with related process (e.g. fee for approvals determined by direct approval costs only) • Fees applied per process • Fees collected prior to processing application or submission 	<ul style="list-style-type: none"> • One fee be applied to all education providers, or • Differentiated fee could be applied based on a profiling methodology (e.g. number of programmes / professions being assessed) • Profiling methodology should use factors which influence cost (e.g. number of programmes rather than the size of the student cohort) • Fees could be limited to specific processes (e.g. approvals and not monitoring)

		<ul style="list-style-type: none"> • Fees could be applied to specific outcomes within processes (e.g. fee applied where referrals made to approval process out of major change). • Administration costs associated with charging multiple fee types. • Indirect costs could be limited to Education department costs or could encompass Committee / Panel, Policy & Standards costs related to education function • Further fee options could be explored (e.g. fast-track approval fee)
Actual cost	<ul style="list-style-type: none"> • Charged per process based on direct costs incurred • Charged at point actual costs known (likely towards end of process) 	<ul style="list-style-type: none"> • Education providers could receive variable costs where economies of scale fluctuate (e.g. annual monitoring assessment days vs postal assessments) • Fees could be limited to specific processes (e.g. approvals and not monitoring) • Administration costs associated with 'itemising' fees for education providers. • Actual fees charged would depend on how much of the process was completed.
Subscriber led	<ul style="list-style-type: none"> • Fee determined by direct and / or indirect costs • Only applies to education providers who are approved 	<ul style="list-style-type: none"> • Indirect costs could be limited to Education department costs or could encompass Committee / Panel, Policy & Standards costs related to education function

	<ul style="list-style-type: none"> Charged on a regular basis (e.g. annually) One fee could be applied to all education providers or Differentiated fee could be applied based on a profiling methodology (e.g. number of approved programmes / professions delivered) 	<ul style="list-style-type: none"> Administration costs associated with regular subscriber renewal models Profiling methodology should use factors which influence cost (e.g. number of programmes rather than the size of the student cohort)
Combination	<ul style="list-style-type: none"> Supplements subscriber led model with targeted fees for specific activity Subscriber fee likely to cover direct and / or indirect monitoring costs Targeted fees likely to be applied to cover direct / indirect approval costs Subscriber fee could be applied consistently or differentiated using profiling methodology 	<ul style="list-style-type: none"> Indirect costs could be limited to Education department costs or could encompass Committee / Panel, Policy & Standards costs related to education function Administration costs associated with regular subscriber renewal models and specific fee types Profiling methodology should use factors which influence cost (e.g. number of programmes rather than the size of the student cohort)

5 Fee examples

5.1 The following are examples of how the models above could be applied based on the descriptors outlined in the table above. An indicative fee has been formulated for each example, based on the cost recovery approach being pursued and relevant financial assumptions. Further analysis would be required to determine actual fees (particularly where indirect costs are applied per process) if preferred options are identified by the Committee.

Flat rate process application fee

5.2 A flat rate fee is applied to assess significant changes to a programme through the major change process.

Fee type	Approach	Amount / frequency	Assumptions
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Major change scrutiny fee	Direct cost recovery	£162.00	<p>Fee used to recover direct Partner and Executive approval visit costs:</p> <ul style="list-style-type: none"> • Visitor fees (3 partners per panel) <p>Fee calculated on major change visitor fee for 2018-19 financial year.</p>
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5.3 This model is fairly straight forward, as the direct costs associated with the major change process are limited to visitor fees. This model could easily be applied across the approval, annual monitoring and concerns process also. This model could also be used to introduced different fees, for example a fast track fee for education providers seeking an assessment outcome which is turned around more quickly.

Actual cost process application fee

5.4 A fee is applied for new programme approvals and for referrals to the approvals process out of monitoring (major change, annual monitoring, concerns). Fee is calculated based on actual direct costs incurred during approval process.

Fee type	Approach	Amount / frequency	Assumptions
Approval process fee	Direct cost recovery	<p>Variable fee (one-off)</p> <p>Average cost per visit:</p> <p>£1,814.00</p>	<p>Fee used to recover direct Partner and Executive approval visit costs:</p> <ul style="list-style-type: none"> • Visitor fees (3 partners per panel) • Travel, subsistence, accommodation for visitors and executive. <p>Average cost based on 2018-19 budget estimates. (Based on completing 81 visits with overall budget of £146,931.00).</p>

5.5 Recovering actual direct costs for approvals is a straight forward process. However there would be a processing cost which would also need to be factored in to account for the additional effort in administering such a process. The model here works well where costs are applied to one education provider. However, where costs are distributed across multiple education providers (e.g. through annual monitoring), distributing this cost equally would be more challenging.

Approved education provider fee

5.6 An annual fee is charged to all education providers to cover costs associated with the education function. The same fee is charged to all education providers.

Fee type	Approach	Amount / frequency	Assumptions
Subscription	Direct cost recovery	£1,467.00 (annual)	<p>Fee used to recover direct Partner and Executive approval and monitoring costs:</p> <ul style="list-style-type: none"> • Visitor fees • Travel, subsistence, accommodation for visitors and executive. <p>Costs based on 2018-19 budget estimates. 143 education providers delivering approved programmes at 2017-18 YE.</p>
Subscription	Direct and indirect cost recovery	£8514.00 (annual)	<p>Fees used to cover all costs associated with the Education Department.</p> <p>Costs based on 2018-19 budget estimates. 143 education providers delivering approved programmes at 2017-18 YE.</p>

5.7 These examples neatly highlight the difference and impact to the education provider for recovering direct cost versus a combination of direct and indirect costs.

Differentiated approved education provider fee based on approved programme numbers

5.8 An annual fee is charged to all education providers to cover costs associated with the education function. The fee charged is based on the number of

approved programmes each education provider has. Bands are defined based on this measure of differentiation, with a fee attached to each band.

Subscription – differentiated by programme numbers	Direct cost recovery	<p>Band 1 - £288 (1-5 programmes)</p> <p>Band2 - £725 (6-10 programmes)</p> <p>Band 3-£1,655 (11-15 programmes)</p> <p>Band 4 - £5,245 (16-20 programmes)</p> <p>Band 5 - £6,675 (21+ programmes)</p>	<p>Fee used to recover direct Partner and Executive approval and monitoring costs:</p> <ul style="list-style-type: none"> • Visitor fees • Travel, subsistence, accommodation for visitors and executive. <p>Costs based on 2018-19 budget estimates. 143 education providers delivering approved programmes at 2017-18 YE.</p> <p>Bands determined by number of approved programmes delivered by each education provider with an increasing percentage added to each band and then overall costs within each band split by the number of education providers which are included within it.</p>
Subscription – differentiated by programme numbers	Direct and indirect cost recovery	<p>Band 1 – £1,668 (1-5 programmes)</p> <p>Band2 - £4,198 (6-10 programmes)</p> <p>Band 3- £9,612 (11-15 programmes)</p> <p>Band 4 - £30,438 (16-20 programmes)</p> <p>Band 5 - £38,739 (21+ programmes)</p>	<p>Fees used to cover all costs associated with the Education Department.</p> <p>Costs based on 2018-19 budget estimates. 143 education providers delivering approved programmes at 2017-18 YE.</p> <p>Bands determined by number of approved programmes delivered by each education provider with an increasing percentage added to each</p>

			band and then overall costs within each band split by the number of education providers.
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5.9 Differentiating by programme allows for a more equitable distribution of fees to be charged to education providers. It is also a fair measure to adopt in differentiating education providers. As a general rule, the more programmes an education provider delivers, the more quality assurance activity we expect to carry out with on an annual basis.

5.10 Based on other organisation’s approaches in this area, the option to differentiate by student numbers could also be applied to our own model. However, it is unclear what link this has to the costs we actual incur to quality assure programmes. As a general rule, the effort required to approve and monitor a programme is broadly similar regardless of the size of cohort. An argument could be made that larger programmes are likely to be more complex, however this still means effort to quality assure such programmes is quite variable, based on circumstances specific to each.

Differentiated education provider fee based on professions / entitlements offered

5.11 An annual fee is charged to all education providers to cover costs associated with the education function. The fee charged is based on the number of professions and entitlements each education provider delivers programmes in. Bands are defined based on this measure of differentiation, with a fee attached to each band.

Subscription – differentiated by professions / entitlements	Direct cost recovery	Band 1 - £396 (1 profession / entitlement) Band2 - £525 (2-4 professions / entitlements) Band 3-£1,085 (5-7 professions / entitlements) Band 4 - £3,935 (8-10 professions / entitlements) Band 5 - £12,237	Fee used to recover direct Partner and Executive approval and monitoring costs: <ul style="list-style-type: none"> • Visitor fees • Travel, subsistence, accommodation for visitors and executive. Costs based on 2018-19 budget estimates. 143 education providers delivering approved programmes at 2017-18 YE.
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		(11+ professions / entitlements)	Bands determined by number of professions / entitlements delivered by each education provider with an increasing percentage added to each band and then overall costs within each band split by the number of education providers.
Subscription – differentiated by professions / entitlements	Direct and indirect cost recovery	<p>Band 1 – £2,297 (1 profession / entitlement)</p> <p>Band2 - £3,045 (2-4 professions / entitlements)</p> <p>Band 3- £6,297 (5-7 professions / entitlements)</p> <p>Band 4 - £22,830 (8-10 professions / entitlements)</p> <p>Band 5 - £71,020 (11+ professions / entitlements)</p>	<p>Fees used to cover all costs associated with the Education Department.</p> <p>Costs based on 2018-19 budget estimates. 143 education providers delivering approved programmes at 2017-18 YE.</p> <p>Bands determined by number of professions / entitlements delivered by each education provider with an increasing percentage added to each band and then overall costs with each band split by the number of education providers.</p>

5.12 Differentiating by profession / entitlement is also an effective method to create a distribution of fees across education providers. Similarly to programme numbers, as a general rule, the more professions / entitlements an education provider delivers, the more quality assurance activity we expect to carry out with them on an annual basis (as it is likely they will have more approved programmes).

Combination of approved education provider and application fees

5.13 A combination of fees is applied to recover direct costs. A subscriber fee is applied to approved education providers based on direct monitoring costs. A flat rate application fee is charged to those seeking approval of new programmes, and where programmes have been referred to approval process out of another process (i.e. major change, annual monitoring and concerns).

Fee type	Approach	Amount / frequency	Assumptions
Combination	Direct cost recovery	<p>Approval process application fee: £1,820</p> <p>and</p> <p>Approved provider renewal fee:</p> <p>Band 1 - £86 (1-5 programmes)</p> <p>Band2 - £216 (6-10 programmes)</p> <p>Band 3- £496 (11-15 programmes)</p> <p>Band 4 - £1571 (16-20 programmes)</p> <p>Band 5 - £1999 (21+ programmes)</p>	<p>Fee used to recover direct Partner and Executive approval visit costs:</p> <ul style="list-style-type: none"> • Visitor fees (3 partners per panel) • Travel, subsistence, accommodation for visitors and executive. <p>Fee calculated on approvals activity averaged over last three years (64 visits / year) and costs based on 2018-19 budget estimates.</p> <p>Costs based on 2018-19 budget estimates. 143 education providers delivering approved programmes at 2017-18 YE.</p> <p>Bands determined by number of approved programmes delivered by each education provider with an increasing percentage added to each band and then overall costs within each band split by the number of education providers.</p>

5.14 A combination approach obviously allows for all costs to be recovered through engagement with both new and existing education providers and programmes. It also means, as illustrated in this example, that subscriber fees can be based on monitoring activity costs solely. Although not covered in this paper, recovering direct and indirect costs could also be achieved through this approach.

5.15 These examples are by no means exhaustive of all the options available around the charging of fees, based on the models set out in table 2. However, the examples illustrated should provide the Committee with a sense of the

actual cost to education providers around fee charging, depending on how these costs are derived and the principles underpinning their implementation.