



Protecting the interests of students when universities and colleges close

Summary

When a university or college closes, the Office for Students works with it and with other bodies, with the aim of reducing the impact on students. This brief shares our experience of that process, and the experiences of some of those directly involved. It suggests ways institutions might ensure in their contingency planning that, should such a situation arise, they will be well prepared. As well as the direct impact on students, the brief considers issues of communication and record management, and how universities and colleges may be affected by the closure of their subcontracted or validated delivery partners. It includes anonymised quotes shared with us by senior managers and a student involved in institutional closures. It does not constitute legal or regulatory advice.

Introduction

When a university or college closes, or stops delivering its higher education courses, it can have a serious impact on the students enrolled with the institution.¹ In these situations, the role of the Office for Students (OfS) is to protect the interests of students as far as possible, and to reduce the impact of these events on them. Remaining financially secure and avoiding closure is an institution's responsibility as an independent organisation. We do not have the power to intervene to prevent a university or college from closing, nor any funds to help mitigate the effects. This applies whether a closure arises from a corporate decision (for instance, a deliberate change in an institution's strategic direction or the end of a partnership with another institution), or a loss of financial viability.

The Office for Students is the independent regulator of 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. We regulate to promote quality, choice, competition and value for money in higher education, with a particular remit to ensure access, success and progression for underrepresented and disadvantaged groups of students.

An institution that is closing – or that is partnered with one that is closing – has specific regulatory obligations, and specific contractual responsibilities to its students. It is important that all institutions are aware of these obligations. As part of good management and governance, governing bodies should be actively considering and managing any financial risks they might be exposed to that could give rise to a risk of institutional closure.

While our recent analysis of the higher education sector's finances has shown that universities and colleges are facing significant financial challenges, we also know that many institutions are taking decisive steps to address them.²

Our engagement with institutions in these situations is focused in the first instance on understanding how they are ensuring their financial sustainability. However, we also want institutions facing risk of institutional closure to have open conversations about how they would protect their students if this risk materialised, including making detailed plans that could be implemented at short notice. We are publishing this brief to aid these conversations, and to share information and knowledge for governing bodies and executive teams to use in their own planning.

We encourage senior leaders in universities and colleges to read this brief and to understand our regulatory expectations in this area. Each case of potential institutional closure brings its own challenges, and those in leadership positions at a particular institution are best placed to assess what these might be and how to approach them. Nevertheless, this brief suggests common approaches that leadership teams should consider incorporating into an institution's business as usual routine, with the intention that these will lead to more positive outcomes, should a contingency plan be needed.

Many institutions are taking steps to ensure that they are financially sustainable in the light of the current risks the sector is taking. This brief focuses on ameliorating the impacts if these efforts are unsuccessful. We have drawn on our experience of managing two relevant cases at small and specialist higher education providers during the past year, and of instances where there was a serious risk of a closure which did not materialise. We have included anonymous quotations from those involved from different perspectives, including senior leaders in the sector and a student. The brief also illustrates the role of the OfS in institutional closures.

“ Institutions should be all over their own financial performance, and so should the regulator. This is a specialist area – it needs really strong governance and executive management who understand how to run a business. ”

Definitions

In this brief, we use the term **institutional closure** to refer to the situation where a higher education provider ceases to deliver higher education. In some cases – for instance where an organisation with multiple income streams decides to discontinue its higher education provision – the organisation may continue to exist, but not as a provider of higher education.

This situation is distinct from **course closure**, when a university or college decides to close part but not all of its higher education provision. Course closure is not covered in this brief, but in such cases the institution must continue to meet its contractual and regulatory obligations to students.

A **disorderly closure** refers to a situation where a university or college closes in a way that involves significant immediate disruption and uncertainty for students. For instance, there may be no effective arrangements in place to help students to complete their courses, such as at an alternative institution.

Institutional closure is sometimes referred to as **provider closure** or **market exit**. The latter term is used in our regulatory framework, where **market exit risk** is defined formally as ‘a material risk that the provider will, or will be required by the operation of law to, fully or substantially cease the provision of higher education in England.’³

Course mapping is work done by an institution to understand higher education provision across the sector, and in particular of courses similar in characteristics to those the institution itself offers. This enables identification of suitable institutions that may be able to offer students continuation of study.

Teaching out or **teach-out** refers to the situation where students are enabled to complete their course at the same institution and achieve the qualification they would have expected, or else to complete the current academic year or term with academic credit that they can use to transfer to an alternative institution.

The role of the OfS

“ I think we have to normalise that you have these open discussions with the OfS, so that everyone understands the position at the start and they're fully prepared as things progress. ”

The OfS's powers, as defined in legislation, do not enable us to intervene to prevent a university or college from closing. However, we work with registered universities and colleges to try to avoid disorderly closures, with a particular emphasis on reducing the impact for students.

Through our conversations with universities and colleges, and the data we collect from them regularly, we monitor the sector to identify where there may be financial risks that, without appropriate mitigation, could lead to closure.⁴

Universities and colleges are required to report to us if they identify any financial challenges or any other factors that might lead to closure, so that we can work together to reduce this risk, and to ensure that their students' interests continue to be protected.⁵ We encourage institutions to engage with us openly and early, to enable useful conversations that will ensure effective plans are in place to protect students if the risk materialises.

When we receive information that suggests a registered university or college is at risk of closure, we engage with its leaders and staff to ensure we remain informed about the situation, and to set out our expectations about student protection. We may involve other agencies and stakeholders as needed. These might for instance include funding or regulatory bodies, government departments, other universities or colleges that validate or subcontract the institution's courses, or institutions that might provide alternative study options for affected students.

We will do this when it is in the interests of students, and this should not be seen as a negative outcome. Rather, it is a process of collaborating to seek the best possible outcomes for students under the circumstances.

We have found that early intervention and a multi-agency approach can help to facilitate an institution's management of potential or actual closure at a time of crisis, possibly avoiding a disorderly closure and securing the best possible outcomes for students.

Student protection

If the OfS considers a registered institution to be at risk of closure, our regulatory framework specifies that we can impose a **student protection direction**.⁶ This falls under condition C4, which allows us to direct the actions of a university or college to make and implement detailed plans to protect its students if that becomes necessary. We are able to use this power where there is a material risk about an institution's ability to continue through the next 12 months.

Each student protection direction takes into account an institution's particular circumstances, including how much planning and preparation it has already done. We have seen instances of good practice, some of which we have published.⁷

Student protection directions could include requirements to:

- Produce a credible **market exit plan**, setting out detailed measures to protect students and how they will be put into practice.⁸
- Produce a timeline that satisfies us that plans will be operationalised effectively.
- Provide information to the OfS, such as confirmation of current student numbers and course details.
- Engage early with an insolvency practitioner or restructuring specialist for guidance on the feasibility of the market exit plan.
- Map the institution's courses against those of other higher education providers to identify potential options for students to continue their studies.
- Provide students with appropriate support to understand their options and make informed choices about their next steps.
- Ensure robust arrangements to handle complaints are in place to respond to any complaints from students.
- Offer, and enable students to apply for, refunds and compensation.
- Ensure that arrangements are in place that enable students to access evidence of their academic achievements in the future. These might include arrangements with a third party to store the records.
- Publish certain information, such as the market exit plan or details of student protection measures.
- Implement a market exit plan if the governing body decides to go into insolvency or administration (a 'trigger event').

“ Some of the preparation for this situation should be normalised so work gets done before a crisis situation arises. Our governing body now does this kind of planning regularly. ”

Many of these are areas that universities and colleges' governing bodies could think about regularly, as advance planning avoids the need to improvise at speed and under stress if an institutional closure becomes possible.

For instance, course mapping should be considered a standard aspect of risk management, to identify suitable institutions that may be willing to offer continuation of study, with a view to seeking agreement in principle between both parties before a worst-case scenario materialises. This should include:

- All courses offered, including apprenticeships, postgraduate courses and any validated at or subcontracted to partner institutions.
- Characteristics of the course such as entry tariff, mode of study and size.

Institutions might consider setting up agreements in principle – possibly multiple agreements, for different courses and subjects – to take on relevant students if one or the other closes. It may serve students better, and reduce the burden on any individual institution, to offer a choice for students between several possible destinations with different characteristics. The receiving institution should establish planned review points after student transfer, to ensure the process has gone smoothly for the students.

Before agreeing to take on another institution's students, however, a university or college should carry out due diligence by modelling the impact on its own finances. It may not be possible to take on students on the same terms as an institution that is closing, nor can the closing institution's facilities be relied on to be available in the event of business liquidation.

If no appropriate alternative courses can be identified, the OfS should be informed, as this represents a significant risk to students in the event of institutional closure.

Where this sort of work is done in advance, it is likely to reduce the pressure on institutions facing a potential crisis, and may also allow us to impose fewer regulatory requirements. Engaging with us on these issues can be more difficult when it is done only in response to acute risk, as by that stage institutions may prefer to keep a smaller group of staff involved in planning, reducing the capacity to plan effectively.

Sharing knowledge

“ The risk is that lots of universities will end up paying separately for the same advice. ”

We encourage universities and colleges to draw on first-hand experience and knowledge from within the higher education sector. There may be value in institutions speaking to each other to share insights, and the lessons they have learned, to inform future contingency planning.

We hope that institutions will draw on these insights and understand the extent and depth of the work necessary to prepare for institutional closure, and especially the fact that this work is much easier to achieve when an institution is not already in crisis mode. While closure inevitably presents difficult challenges for students, we have seen approaches that, considering the circumstances, resulted in more positive outcomes for most.

In this brief, we will share some of the insights we have gathered from navigating institutional closure under the following headings:

- Contingency planning
- Impact on students
- Communication
- Student record management
- Validating and subcontractual partnerships.

Contingency planning

“ The challenge is underestimating the level of work and planning that are needed in different areas. Planning prior to a crisis developing can help the situation hugely. ”

Institutional closures can sometimes be unforeseen, escalate quickly and require a lot of work to manage. We have seen that universities and colleges are not always aware of the scale of the challenges involved, or of what a route to closure looks like. An institution may be operating in crisis mode, with many competing demands from stakeholders with different priorities and interests. It may therefore be trying to plan contingency measures to protect students, while focusing on delivering financial mitigation to survive.

Examples of the challenges for an institution facing the prospect of institutional closure include:

- Understanding the legal options available for financial rescue, recovery and winding up. These will vary depending on the institution's legal structure (for instance whether it has a royal charter or is a company limited by guarantee).
- Having to update its student records to ensure they are complete and easily understandable, and contain sufficient information to be useful to students.
- Urgently having to draw up new data sharing agreements to enable the transfer of student records, in line with the UK General Data Protection Regulation and other data protection and privacy laws.
- Making similar arrangements for the transfer of student support plans.
- Setting up a student transfer and support office.
- Working to ensure that students' access to their accommodation can continue while it is still needed.
- Drafting detailed communications and holding verbal briefings to inform students of the news and of their choices.
- Offering information, support and guidance to students and dealing with complaints and compensation claims.
- Putting into action the requirements set out in an OfS student protection direction.
- Considering how changes in employment will be communicated to staff and how they will be supported through this process, including whether some will retain their roles during the closure.
- Dealing with staff redundancies, which are likely to lead to limited staff resources being available while winding down operations.
- Dealing with the financial impact of loan agreements, lease agreements and the sale of assets.

Developing a viable mitigation or contingency plan can help with delivering as orderly a closure as possible, given how quickly events can develop. We encourage institutions to think in advance about how they would put student protection measures quickly into practice, so that their students are supported to complete their studies.

This sort of risk and contingency planning is normal in other regulated sectors. For instance, energy suppliers are required by the conditions of their licence to have a customer supply continuity plan, while banks and banking groups are required by the Banking Act 2009 to develop recovery and resolution plans known as 'living wills'.⁹

Institutions should maintain accurate up-to-date records of their students, which will ensure timely information about the progress of individual students through their course in the current year. Using this information, an institution should be able to undertake extensive course mapping. This is particularly relevant for those institutions that offer specialist provision, where the number of alternatives for students may be fewer.

This work includes scoping viable options to meet the needs of all students. As well as undergraduates, these might include apprentices, taught postgraduates and research students. They might include UK and international students, and those studying in validated and subcontractual partner institutions. It can involve engagement with multiple stakeholders including accreditors, apprenticeship employers, delivery partners, institutions accepting student transfers, qualification awarding bodies, the OfS and other regulatory agencies.

Institutions should also consider the arrangements they would need to make for students who have additional needs or reasonable adjustments. This could include making adjustments to how the situation is communicated, and additional options or pastoral support for students. They should consider discussing with any alternative providers whether they can offer similar types of reasonable adjustments to enable students to continue their studies.

If **teaching out** is part of an institution's mitigation plan, it is important to consider where this would be done, whether transport and accommodation arrangements would be needed, and how teaching and facilities could be maintained at high quality. If teaching out is not possible, the risks to students must be considered, including how they will be compensated for the disruption.

Thorough mitigation planning includes addressing different options as they relate to a potential closure at different stages of the academic year. For example, what would happen if there were students awaiting exam board decisions, taking resits or on placements?

Points for universities and colleges to consider

Contingency planning

- Do you have a viable contingency plan in place that can be put into action quickly, to assist with managing as orderly a closure as possible?
- Can you readily identify suitable alternative institutions that may be willing to offer students a place to continue their studies? Are they able to address the needs of all students (for example, those with caring responsibilities, or balancing study with paid employment)?
- If teaching out is part of your contingency plans, where would it happen? Would transport and accommodation be provided if it is located elsewhere? How can you maintain the quality of teaching and facilities throughout?
- Does your contingency plan take into account different actions that may be needed depending on when in the academic year closure takes place?
- Do your systems make it easy to give students exit awards that they can use if they make their own arrangements to continue their studies elsewhere?



Impact on students

“Our mechanisms were too slow to identify the risks for those students. It would have been better if the early warning systems had kicked in earlier.”

An institutional closure is likely to cause significant disruption for all students affected. Institutions will need to engage with students' concerns about how the closure will affect their studies, and support them to navigate the changes they face.

In the event of closure, it is important that institutions consider the individual needs of students, as some groups may be more affected than others. This includes those who cannot easily travel to a changed study location, for example because they are combining study with paid employment or caring responsibilities (a particularly common situation for mature students). Alternatively, they may be disabled or have a health condition, or be participating in apprenticeships or study placements.

Plans to mitigate these effects might include:

- Creating a student transfer and support office to facilitate the necessary processes.
- Organising transport to support students in studying at another institution.
- Ensuring that the institution accepting students has a similar delivery model, in terms of, for example, the amount of online teaching and how much teaching is timetabled outside the normal working day.
- Ensuring that the receiving institution can make appropriate reasonable adjustments for students with particular needs.
- Ensuring that individual support plans are transferred across to an accepting institution.
- Offering support and information about alternatives for students who chose not to take a recommended option. This could include awarding academic credit for completed study, or financial compensation where possible.

In the case of students who support their studies financially with part-time employment, or rely on bursaries or local childcare provision, changing the location of study could also have a significant negative impact on their income. In addition, institutions accepting students may charge higher fees, and the cost of living may be higher where they are based. Institutions that are closing and their partners should consider how they would mitigate these factors, and the financial compensation that would be appropriate in these situations.

Students who have spent time in care may lack a strong support network in times of difficulty. International students' applications for visas to continue their studies in the UK may be affected. Situations where a high proportion of students lack necessary English language or IT skills, come from unconventional educational backgrounds, or have unstable financial or home environments, may have their own challenges.¹⁰

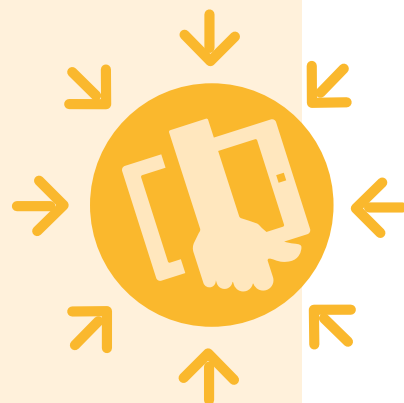
There may also be implications for accommodation arrangements. Some contracts, especially with third-party landlords, have clauses locking a student into a tenancy for a year or making them liable for a full year of costs. Securing accommodation at a new institution, if that is a student's only or preferred option, can be difficult and may be more expensive. Early notice of impending closure would allow more time for students to navigate some of these issues. Institutions should also consider the contracts and relationships they have with any accommodation provider, and the arrangements they should be putting in place to reduce any risks that could arise in the case of an institutional closure.

Points for universities and colleges to consider

Impact on students

In your mitigation plans, and in the event of institutional closure, how will you address:

- The individual needs of students, including those of student groups who might be more affected by closure?
- The potential financial impact on students of different mitigation options?
- How students might navigate changes in their accommodation arrangements?
- Any refunds and compensation?



Communication

“ It took a while for students to get our heads around the available options, and it was difficult to decide what to do next without having all the information in a timely manner, adding to the stress of the situation. We were told we could claim compensation for reasonable interim costs from our institution, but without clear or prompt guidance on what this could cover, it was hard to feel confident in making decisions. ”

It is essential that communications with students about an institutional closure are clear and foreground the students' own likely concerns, fully explaining the impact on them and outlining all the options they have available. Institutions should consider individual students' needs and reasonable adjustments in designing communications. This is important if they are to make informed decisions about the future of their studies.

Students can be confused by what may seem to them a very sudden change beyond their control. Ideally, the earlier the situation can be communicated to students the better, so they have time to fully appreciate the impact, seek advice and consider their options before making any decisions. This will enable a more careful scheduling of communications and other support mechanisms, ensuring that they reflect decisions made in a timely manner, rather than anticipating them. It will also allow students the time they need to come to terms with the implications for themselves and their studies.

Student recruitment may be an important part of plans to enable a university or college to continue providing higher education but, in the interests of students, an

institution should consider the information new or prospective students should have, and when they should have it. Depending on the point in the academic year when the risk of closure materialises, this might include potential applicants; students who have received an offer but not yet begun their studies; and students who have recently begun their studies, if it is sufficiently early in the year for them to find a place at another institution.

“ It’s difficult to strike a balance between informing students early and transparently, and ensuring that their options are viable and finalised, so they have detailed information and advice to decide on their next steps. ”

Principles of communication about institutional closure

We have learned from previous cases some principles that may be useful when drafting communications to tell students about a potential or actual institutional closure.

- Communications should focus on the **impact on the students** affected. The institution should demonstrate that it takes responsibility for the situation and the distress and disruption it will cause.
- There should be **reassurance**, in communicating how the institution will put in place measures and support.
- All **available options** should be listed – although only once they have been confirmed and approved. This should include any options to continue studies that have been identified, and the alternatives available if students do not wish to explore this. These should include the possibility of sourcing their own alternative, with appropriate signposting to UCAS or clearing, and any arrangements for receiving their award of academic credit if they decide to withdraw.
- The details should be presented **neutrally** and explained clearly, and should include links to appropriate contacts. The decision about what is right for an individual student is their own, and the information should simply assist them in making it.
- Communications should be **tailored** for different audiences. This may mean adapting versions for current students, students with additional needs, applicants, offer holders, resit students and those on a placement or break in study.
- Communication should be **joined-up**. If there are multiple stakeholders involved (for instance a subcontractor or validator that is offering a transfer or teach-out arrangement), the various communications must be consistent and shared with all parties, to avoid any confusing messaging.

- Opportunities for dedicated **support** should be offered. This might include holding briefing sessions to allay concerns, and one-to-one wellbeing advice for those who may find the news particularly distressing.
- The **timing** of communications should be planned carefully, for example to avoid sending out messages that can cause anxiety at the end of the day or on a Friday, when affected students may not be able to access dedicated support. Deadlines for confirming decisions should be clearly stated.
- There should be clarity about **refunds and compensation**. The procedure for complaints should be set out, along with any entitlement to refunds or compensation. Reference must be made to the role of the Office of the Independent Adjudicator for Higher Education, which can also offer good practice guidance for communication with students.
- There should be clarity about the **implications for student finance** and any changes to tuition fee costs. Once the affected students have been advised of their future study options, signposting should be provided to the Student Loans Company, to discuss individual circumstances.
- Links should be provided to the **OfS website**, where updates for students will be posted once the news of the closure becomes public.

Since students' communication preferences differ, it will be helpful to communicate via as many platforms as possible to reach the widest audience. An institution will understand its own students and will know how best to reach them at speed. This might include 'town hall' style events and social media as well as direct emails and messages.

Points for universities and colleges to consider

Communication

In the event of institutional closure, how will you ensure that your communications with students:

- Are clear, fully explaining the impact and outlining all the options available?
- Are appropriately and sensitively managed?
- Are co-ordinated with and complement the communications of stakeholder organisations?
- Offer opportunities for support?



Student record management

“Digital certificates are a way to ensure that students can still get access to their marks once the records are transferred.”

When an institution closes, it is responsible for giving students clear information about how and when they can access data held about them.

It is important that institutions review their mechanisms for collating, storing and archiving student data and know how this data would be preserved in the event of closure. This includes all academic records, but also any disciplinary and fee information, student support records and confirmation of fitness to practise. Institutions should consider converting any paper records to electronic files periodically.

Contingency planning could involve identifying a reliable third-party organisation that can receive, store and transfer student records, and will continue to be able to provide them to students. Such records should be up to date, clear and sufficiently detailed to be of actual use to a student.

The drafting of new data sharing agreements can be protracted, and this is challenging when closure is imminent. Institutions and their partners should review current agreements to ensure they provide a mechanism for sharing student data appropriately in the event of closure. This will help facilitate student communications, credit transfers, and the issuing of awards in line with any data protection and privacy law requirements.

Arrangements for data transfer could be made in principle in advance, with a contract drafted and ready to sign, but there would need to be clarity about the responsibilities of the receiving party (including legally, under the UK General Data Protection Regulation and any other relevant data protection and privacy laws) and any costs it might incur.

Points for universities and colleges to consider

Student record management

How do you ensure that your student record management includes:

- Processes that ensure records are up to date, sufficiently detailed and in a format that can readily be shared?
- Data-sharing agreements that will address the smooth transfer of student data in the event of closure?
- Plans for how students would be informed about how to access their data records in such an eventuality?



Validating and subcontractual partnerships

“ In future we would look at aligning ‘strategic fit’ when reviewing partnerships and seeking new ones – this would ensure a smooth transition for transferring students. ”

Many universities and colleges enter into arrangements whereby they either subcontract some of their teaching to a delivery partner, or validate higher education courses at another institution. These arrangements mean taking on responsibility for the students involved, including in the event that the partner closes.

Universities and colleges that subcontract teaching to a delivery partner retain responsibility for the students who are registered with them. Our recent Insight brief on subcontractual arrangements in higher education sets out the risks of such arrangements, and offers a checklist for their good governance and management.¹¹

Where an institution with degree awarding powers validates a course at another institution, students on that course normally have a direct contractual relationship with the partner institution rather than the validating institution. However, the validating institution is responsible for the quality of the course, for the standard of awards granted in its name, and for the students who are expecting to complete a course leading to its award. If the validated institution closes, the validating institution will also bear responsibility for the affected students.

We have recently seen situations when institutions were not fully aware of the risks for students if one of their delivery partners ceased to offer higher education, and where they had failed to plan adequately for this possibility. We have also seen examples of institutions that validate courses at other institutions and did have appropriate arrangements in place to offer support for students when their delivery partners were at risk of closure.

We expect subcontracting institutions and validators to undertake due diligence in developing detailed contingency plans that assess the risk for each individual partner, and to plan for how and where students may continue their studies if that partner closes. If it is not clear what form these contingency plans could take, we recommend not entering into a subcontracting or validating arrangement until this has been definitely established.

Where a risk of closure has been identified, delivery partners should inform the validating institution or lead partner of this risk. It is then advisable for all institutions involved to assume and mitigate for a worst-case scenario. This could mean making plans in advance to minimise disruption to students in the event of closure.

Such plans might include ensuring that data sharing agreements with a partner allow for smooth and immediate transfer of student data, including contact details, records of credits and alumni records.

The plans should also take into account the characteristics and demographics of students studying with a partner, and how a closure might affect them. Overall, students studying under subcontractual arrangements are more likely to be from backgrounds that are underrepresented in higher education, for instance mature students, or from the most deprived areas of the UK, or living locally before entering higher education.¹²

It may be a viable option for students to transfer to an equivalent course run directly by the validating or subcontracting institution. In this case, consideration should be given to how these students can be supported, both academically and personally, to deal with the demands of the course and succeed on an equal basis with their peers. This might include additional tutorial and academic support. If the partner institution's students have a representative body, its members may be able to provide advice on their needs.

Points for universities and colleges to consider

Validating and subcontractual partnerships

If you validate or subcontract courses taught by a partner institution, how do you ensure that:

- You have assessed the risk of closure among your partners and planned appropriately to protect the interests of their students?
- Your data sharing arrangements allow for the smooth transfer of data in the event of closure?
- The students being recruited have the study skills and level of academic understanding to be able to succeed and to transition smoothly to another institution?
- Your plans take into account the need to support diverse groups of students to succeed?



“ Lots of stakeholders were involved, meaning that a multi-agency approach with everyone in the room was indispensable. UCAS and the Office for the Independent Adjudicator were especially helpful. ”

The role of other bodies

Institutions facing uncertainty or risk of closure should be clear in advance which stakeholders they need to keep informed, and to what timescales. Institutions may have a reporting responsibility to these or other similar organisations.

We encourage any university or college that finds itself at risk of closure to engage with some of these bodies and seek their help with contingency planning. This can be helpful in discussing and finding solutions to complex challenges.

Among other stakeholders, institutions should consider the following:

- Other **regulators**, including the Charity Commission and professional statutory and regulatory bodies. For purposes of student protection, it may be necessary to inform these bodies when considering how to facilitate students' ability to study in other institutions.
- Relevant **government departments**. For example, UK Visas and Immigration can advise on how best to protect international students, in relation to visa rules and the status of Confirmations of Acceptance for Studies issued to students.
- **Funding bodies**, including UK Research and Innovation and Research England. In these instances institutions may have reporting obligations, but these stakeholders may also be able to advise on student protection issues and the options that may be available for students to continue their studies or research.
- The **Office of the Independent Adjudicator** for Higher Education.¹³ This body can advise on good practice for student communications, drawn from experience of handling student complaints and its experience of engaging with institutions that have avoided closure, and on appropriate refunds and compensation packages in the event of closure.
- **Employers** where students have apprenticeship placements. Their cooperation will be needed to give apprentices the opportunity to continue their studies.

- **The Student Loans Company.** Its advice in relation to student finance implications is necessary when considering the arrangements that might need to be made so that students do not experience detriment in the event of institutional closure.
- **UCAS.** This organisation may be able to support in identifying options for students, or to facilitate the matching of students to courses at other institutions.
- **Professional bodies,** such as the Nursing and Midwifery Council, where relevant.
- **The Further Education Commissioner,** if further education provision will also be affected.
- Any **partner institutions** that subcontract or validate the institution's higher education provision.
- **Other institutions** that may be able to provide continuation of study.

Conclusion

“Early intervention, transparency and open dialogue were crucial, and we would encourage others to talk to the OfS sooner rather than later. Doing this helped us focus on the solutions, and align our aims and understanding with theirs.”

This brief has outlined some of the experiences gained by the OfS and those we have spoken to, from actual cases of institutional closure and from situations where closure was a serious risk that in the end did not materialise.

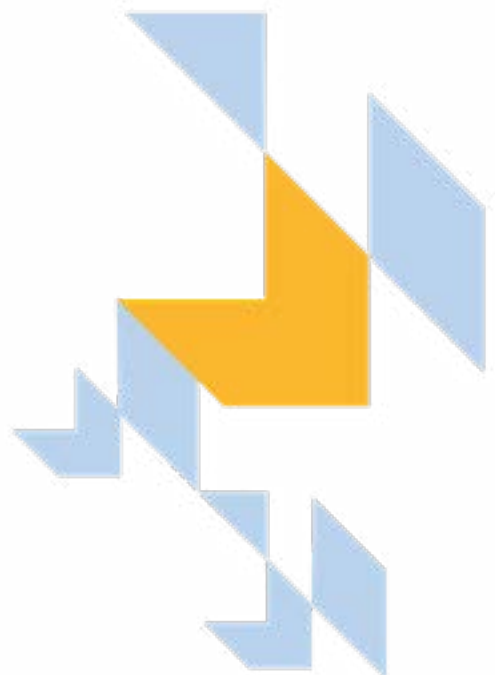
Institutional closure is challenging for all concerned, being complex and difficult to navigate. Addressing some of these challenges in advance reduces the pressure of such events, as does early, open dialogue between parties. These situations may develop rapidly and sometimes provide minimal warning before they enter a crisis state, but throughout the process the interests of students, and their options for continued study, must be kept in mind.

We recommend that senior managers and governing bodies routinely assess the current financial pressures on their university or college and its partners, and consider the circumstances in which these pressures might develop into a risk of closure. Institutions' business as usual processes should incorporate the necessary contingency planning to ensure that all affected students would be protected in such an event.

Important questions to consider include identifying alternative institutions where current students could continue their studies, how to ensure that these students' records are kept scrupulously up to date and in sufficient detail, and how these records can be preserved and passed on in the event of closure.

On occasions when such a risk materialises, the OfS is well placed to help, and those we have spoken to have emphasised the value of opening a dialogue promptly. Doing this has enabled them to examine their options, explore potential solutions and ensure that their understanding of their obligations is in line with our regulatory requirements. At this stage a spirit of openness is essential, involving clear and timely communication with students as well as close collaboration with the OfS and any other agencies that become involved.

While the optimal outcome is always to avoid the stress and upheaval of closure, when this becomes unavoidable the advice in this brief will assist in ensuring that the interests of students are protected as far as possible.



Notes

¹ For the sake of readability in this brief we may use ‘universities and colleges’, or just ‘institutions’, to refer to what our regulatory framework and other more formal documents call ‘higher education providers’. In the case of further education providers, the insolvency procedure is set out in the [Technical and Further Education Act 2017](#). The Act introduced a special administration regime for further education colleges to protect students’ interests in the event of insolvency. We would still expect OfS-registered further education colleges to comply with our other conditions of registration.

² OfS, [‘Navigating financial challenges in higher education’](#) (OfS Insight brief #21), May 2024; OfS, [‘Financial sustainability of higher education providers in England: November 2024 update’](#), November 2024.

³ OfS, [‘Securing student success: Regulatory framework for higher education in England’](#) (OfS 2022.69), November 2022, p150.

⁴ See OfS, [‘How we regulate financial sustainability within higher education: Monitoring financial performance’](#), last updated October 2024.

⁵ The full wording of this requirement is available in OfS, [‘Regulatory advice 16: Reportable events’](#) (OfS 2021.44), paragraph 11.

⁶ OfS, [‘Securing student success: Regulatory framework for higher education in England’](#) (OfS 2022.69), November 2022, p150.

⁷ See OfS, [‘Financial sustainability and market exit cases’](#) (OfS 2023.18), April 2023.

⁸ See OfS, [‘Securing student success: Regulatory framework for higher education in England’](#) (OfS 2022.69), November 2022, p150.

⁹ See Ofgem, [‘Licences and licence conditions’](#) (‘Standard conditions of gas supply licence’ condition 19E and ‘Standard conditions of electricity supply licence’ condition 19C); Gov.UK, [‘Banking Act 2009’](#).

¹⁰ All higher education students should be proficient in English to an appropriate standard, or provided with the support to become so. However, in OfS, [‘Subcontractual arrangements in higher education’](#) (OfS Insight brief #22, September 2024), we raised concerns that some students are being recruited onto subcontracted courses with very weak English language skills, without the delivery partner putting in place the support to allow them to succeed.

¹¹ OfS, [‘Subcontractual arrangements in higher education’](#) (OfS Insight brief #22), September 2024.

¹² OfS, [‘Subcontractual arrangements in higher education’](#) (OfS Insight brief #22), September 2024.

¹³ See Office of the Independent Adjudicator for Higher Education, [‘Closure of course, campus or provider’](#).