

Office for  
Students



# Provider typologies 2022

Methodology for grouping  
OfS-registered providers

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# Summary

1. The Office for Students (OfS) routinely publishes data and analysis about the higher education providers it regulates. This is an important part of our regulatory role because it provides transparency about the characteristics and performance of providers for students and taxpayers.
2. The English higher education sector is diverse. There are more than 400 providers registered with the OfS with very different sizes, income sources, subject mixes and student characteristics. When we publish data and analysis about individual providers we want to do so in a way that helps users of our data to understand the patterns across the sector and for providers with similar characteristics.
3. In the past we have used an approach that focuses mainly on the UCAS tariff points held by undergraduates. While this approach works well for differentiating between multi-faculty providers with a significant focus on young undergraduate provision, it does not work for providers where a high proportion of their students are not recruited on the basis of the strength of their Level 3 qualifications.
4. We have therefore designed the following two new approaches to grouping providers:
  - i. A grouping that relates to the financial attributes of providers.
  - ii. A grouping that relates to the make-up of the student population or study characteristics of providers.
5. We expect to use these typologies when we publish data or analysis which we consider could be enhanced by presenting outputs at a more granular level than the whole sector and a more aggregate level than for each individual provider. For example, we have a duty to report on the financial sustainability of higher education providers and we have published aggregate sector-level data which we consider could provide better insights if we were to present the financial position of groups of providers with similar characteristics.
6. It is important to note that these typologies have no regulatory status. They do not imply any particular regulatory status or judgement of regulatory risk for providers in one group rather than another. These groupings will not inform our regulatory decision making and we would not support the use of these typologies to make decisions about providers for any purpose.
7. We expect to consider updating the typologies every three to five years to take account of any changes in the sector.
8. This report is published alongside an annex containing the data behind the figures included in this report and a data csv file which presents the data used to group providers and lists the typology groups to which they have been assigned.<sup>1</sup>

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<sup>1</sup> The annex and data file are available alongside this report at:  
[www.officeforstudents.org.uk/publications/provider-typology-2022-methodology-for-grouping-ofs-registered-providers/](http://www.officeforstudents.org.uk/publications/provider-typology-2022-methodology-for-grouping-ofs-registered-providers/).

## New typologies

9. There is significant diversity among higher education providers in England. This can mean it is sometimes necessary to look at data in more detail than is possible with aggregate data for the whole sector – but with so many registered providers, considering their data individually can be onerous and time consuming, and could distract from the bigger picture. In these circumstances, it is useful to have a way to group providers that are, in some ways, similar.
10. Until now, the OfS has adopted various approaches to grouping providers across the sector: using tariff groups to place providers in high, medium or low tariff groups and separating specialist providers; or TRAC peer groups or using OfS registration categories. However, these approaches are now either outdated and in need of review, or too broad to be useful. In this paper, we present two new approaches to provider typology groupings, which have drawn on the existing provider tariff groupings, and extended these to allow for better homogeneity within the groups.

**It is important to note that these typologies have no regulatory status. They do not imply any particular regulatory status or judgement of regulatory risk for providers in one group rather than another.**

11. In defining groups of providers, we have aimed to maintain the following features:
  - a. Providers within the same group should be broadly homogeneous, that is to say that they will typically respond in a similar way to regulatory interventions or changes in the external environment.
  - b. Groups are neither so small that the behaviour of one provider can dominate, or so large that the group loses homogeneity.
  - c. It should be easy to describe groups with expert users intuitively knowing which group a particular provider would fall into.
12. We considered a number of approaches to identifying ‘similar’ providers and present here two groupings which we expect to use for different purposes. One focuses on the financial attributes of a provider and another uses the student population or study characteristics of a provider. Both groupings identify providers on the basis of the type of higher education courses they offer (whether the majority<sup>2</sup> is at Level 4, 5 or 6+) and whether they are a ‘specialist’ provider.<sup>3</sup> This means that either grouping could be aggregated up to the same top level groups to provide consistency between the two typologies.

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<sup>2</sup> This is consistent with the approach we take to the eligibility criteria for applications for university title. See Regulatory advice 13: How to apply for university college and university title ([www.officeforstudents.org.uk/publications/regulatory-advice-13-how-to-apply-for-university-college-and-university-title/](http://www.officeforstudents.org.uk/publications/regulatory-advice-13-how-to-apply-for-university-college-and-university-title/)).

<sup>3</sup> As defined in the OfS consultation on an approach to world-leading specialist provider funding, we have identified specialist providers as those with at least 75 per cent of total full-time equivalent (FTE) higher education and further education student population in one broad subject area or at least 90 per cent of total

13. The primary purpose of these new groupings is to improve the way we communicate the patterns in data relating to higher education providers and their students, when we consider that presenting aggregate sector-level data does not show sufficient granularity. For example, we saw quite different patterns for different groups of providers when we reported on the financial sustainability of higher education providers in England in 2022.<sup>4</sup>
14. In developing our typologies we focused on OfS-registered providers. Providers not registered (including those in the devolved nations<sup>5</sup>) would typically be grouped together but not reported on as they are so diverse. We expect to consider updating the typologies every three to five years to take account of any changes in the sector; this means that the published typologies will not remain a perfect match of registered providers because we expect providers to be registered or de-registered between updates.
15. We have not made any judgements or assessments about individual providers in allocating them to the groups in the typologies. The typologies use observable features of providers to place them alongside other providers that are similar in relation to those specific features.

## Financial typology

16. The financial typology groups providers on the basis of the resources available to them. The factors used in defining this typology are:
  - proportion of higher education student full-time equivalent (FTE) at Level 4 or 5
  - specialist indicators
  - qualifying income (QI)
  - proportion of total income from QI.
17. Three main data sources are used to assign providers to these groupings. Providers included in the typology are collated from the latest student numbers<sup>6</sup> release (relating to 2020-21 students). This data is used initially to split providers by the proportion of their student FTE at Level 4 or 5. Specialist providers are identified using the methodology from the specialist provider funding consultation (conducted in 2021 using student data from 2019-20).
18. Financial information is collated from the most recent Annual Financial Return (AFR) and supplemented with information about the financial position of further education and sixth form colleges from the Education and Skills Funding Agency<sup>7</sup> (ESFA) or data collected during our

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higher and further education student FTE population in no more than two broad subject areas. This definition is used consistently across both typologies to cover all OfS-registered providers rather than limiting it to providers in the Approved (fee cap) category; see data annex for more information.

<sup>4</sup> See [www.officeforstudents.org.uk/publications/financial-sustainability-of-higher-education-providers-in-england-2022-update/](http://www.officeforstudents.org.uk/publications/financial-sustainability-of-higher-education-providers-in-england-2022-update/).

<sup>5</sup> Scotland, Wales and Northern Ireland have devolved powers for higher education and so providers in those nations do not fall under the OfS's regulatory system for providers in England.

<sup>6</sup> See [www.officeforstudents.org.uk/data-and-analysis/student-number-data/](http://www.officeforstudents.org.uk/data-and-analysis/student-number-data/) for more information.

<sup>7</sup> See [www.gov.uk/guidance/esfa-financial-management-college-accounts?msclkid=adff2ec7c6ec11ecb6c51116740ab567](http://www.gov.uk/guidance/esfa-financial-management-college-accounts?msclkid=adff2ec7c6ec11ecb6c51116740ab567) for more information.

registration process where AFR data is not available.<sup>8</sup> A provider's qualifying income (QI) is calculated by summing any public grant funding from the OfS, any fee income from taught awards (exclusive of VAT) and any fee income from research awards (exclusive of VAT).<sup>9</sup> The total income is adjusted to account for the length of the academic year covered.

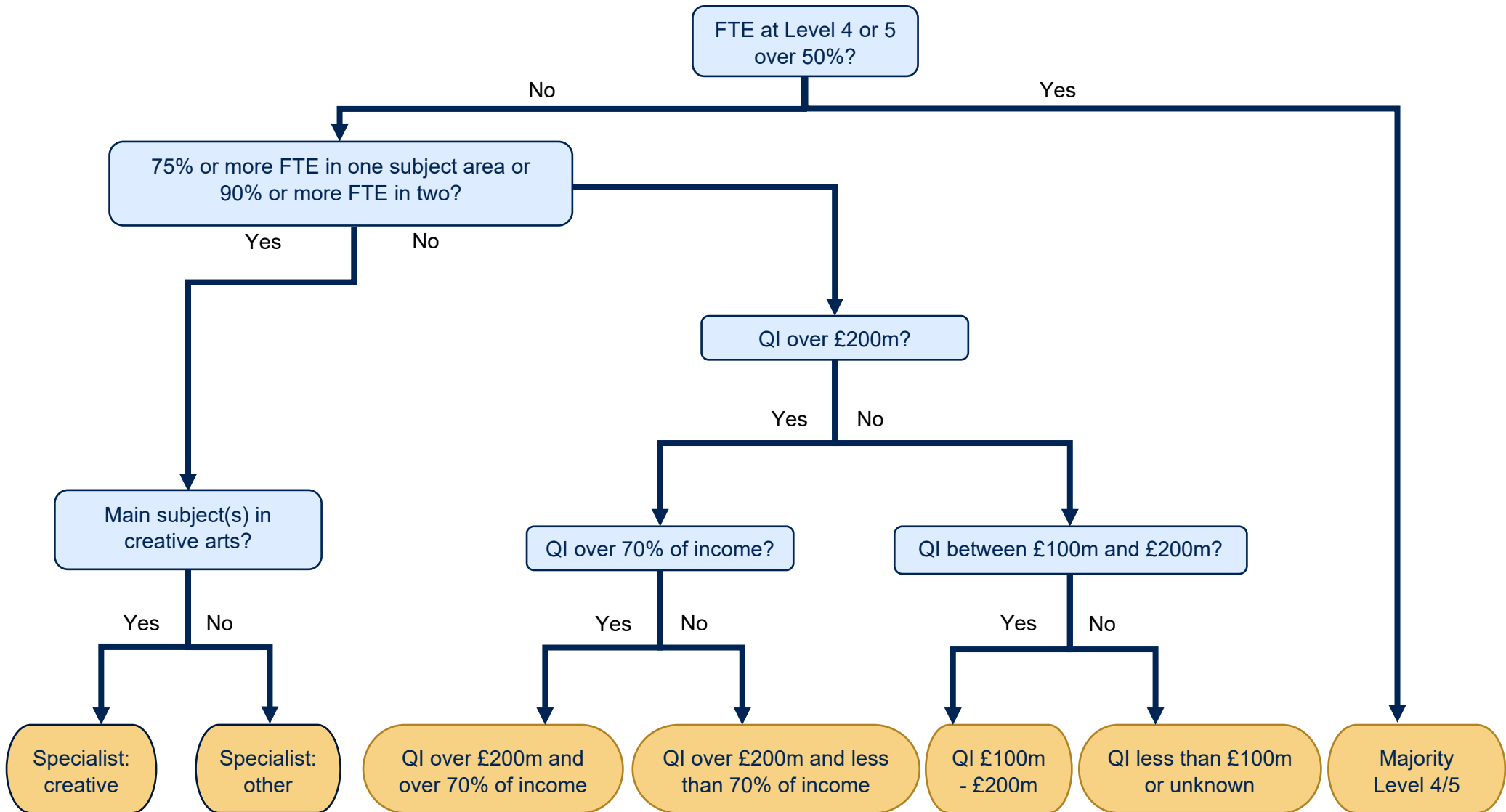
19. The graphic below presents the way the financial typology splits OfS-registered providers, where the groups are those displayed in each of the yellow boxes. A list of the providers in each group can be found in the annex. While we expect all groupings to be used in summary analyses, there may be occasions where data is not available for all providers listed and, in these cases, we would expect users to collapse groups together to ensure robust comparisons can be made.

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<sup>8</sup> The financial data is taken from various sources depending on the circumstances of an individual provider. The first available data is selected from the following list (in order): 2021 AFR, 2020 AFR, 2019 AFR, OfS registration data, ESFA college accounts academic year 2020-21, ESFA college accounts academic year 2019-20, ESFA college accounts academic year 2018-19.

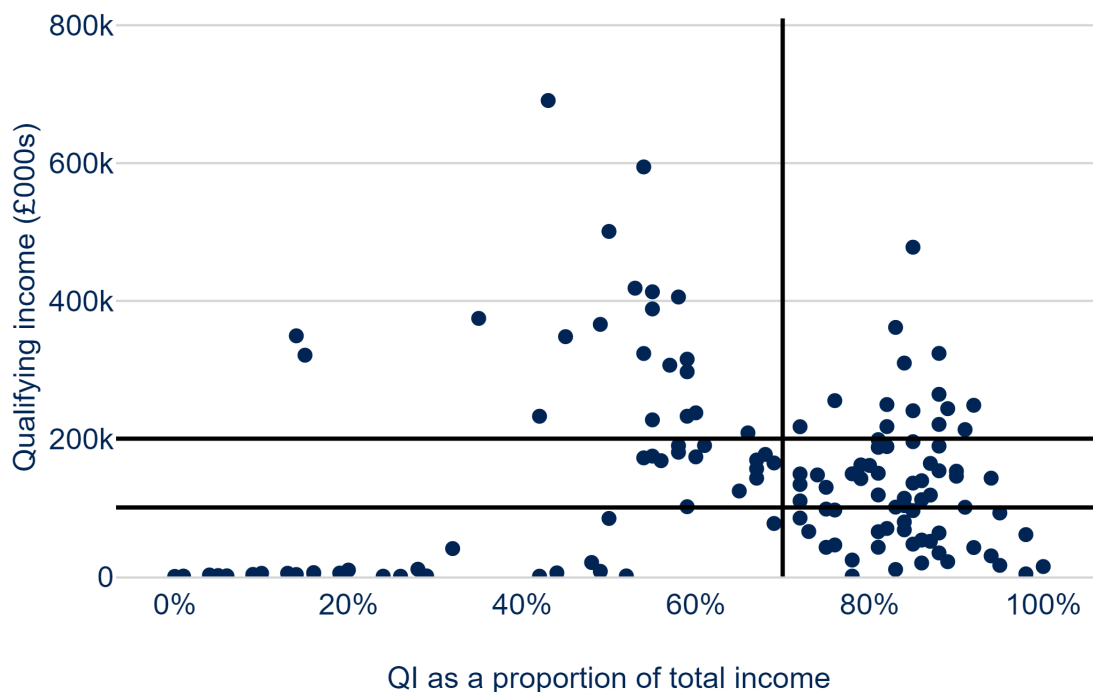
<sup>9</sup> See paragraph 3 of the Monetary Penalties Regulations, for details of the definition of qualifying income ([www.legislation.gov.uk/ukdsi/2019/9780111185353/regulation/3](http://www.legislation.gov.uk/ukdsi/2019/9780111185353/regulation/3)).

Figure 1: Flow chart to map the financial typology provider grouping



20. The first step splits by proportion of the number of higher education students counted using full-time equivalent (FTE)<sup>10</sup> at Level 4 or 5. There are 164 providers with a higher education FTE greater than 50 per cent at Level 4 or 5; this represents around 4 per cent of the sector's higher education FTE.
21. The second step pulls out specialist providers and splits them depending on their reported subject specialism. This groups providers with at least 75 per cent of their FTE in one subject area or at least 90 per cent of their FTE across two subject areas. If one of the top two subject areas at the provider was 'Design, and creative and performing arts' the provider was designated as 'Specialist: creative'.
22. The third step uses qualifying income to create three income-based groupings that will loosely relate to the size of a provider. Providers are split into those with over £200 million of QI, those with between £100 million and £200 million QI, and those with less than £100 million QI. These thresholds have been chosen because they segment providers into reasonably sized groups and are simple for expert users to understand.
23. The fourth step splits providers with a QI over £200 million by the proportion of their total income from QI, where providers with more than 70 per cent of their total income defined as QI are in one group, and those with less than 70 per cent are in the other. The 70 per cent threshold is used because there is a natural clustering in providers as shown in Figure 2 below.

**Figure 2: Scatterplot of QI against QI as a proportion of total income for providers, with majority higher education FTE Level 6+ and not identified as specialists**

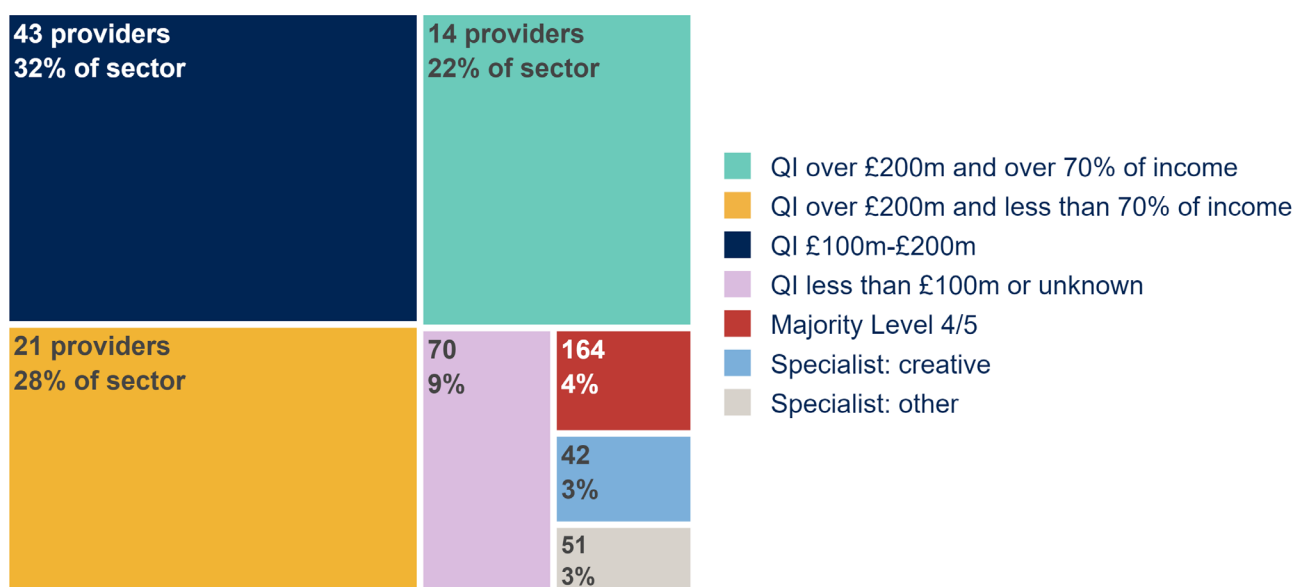


<sup>10</sup> Full-time equivalent assigns a proportion to a person based on the amount of time they study relative to a full-time student. A full-time student is 1 FTE, whereas a student studying half the amount of time as a full-time student would be 0.5 FTE.



24. Figure 3 shows the segmentation of the typology across OfS-registered providers. The number of providers and the proportion of whole sector student FTE varies across the different groups, with the majority Level 4 and 5 group containing the most providers (164) but accounting for only 4 per cent of the sector student FTE. The majority Level 6 with £100 million to £200 million QI contains only 43 providers, but accounts for 32 per cent of the sector student FTE. In deciding the thresholds to use for groups, we have focused on coherence rather than size.

**Figure 3: Tree map scaled by proportion of total higher education student FTE for financial typology provider groupings**



25. Where providers have no available data, or returned a qualifying income of zero, they have been grouped with the ‘QI less than £100m’ provider group. For data used to group providers see data download.

## Student typology

26. The student typology groups providers by student population and study characteristics at each provider. The factors used in defining this typology are:

- proportion of higher education student FTE at Level 4 or 5
- proportion of higher education student FTE at undergraduate level
- specialist indicators
- average tariff points<sup>11</sup> for young entrants to the provider.

<sup>11</sup> Tariff points relate to a student’s qualifications on entry to a provider and are initially calculated using the same methodology as for our student premium funding within our recurrent funding allocation. See [www.officeforstudents.org.uk/advice-and-guidance/funding-for-providers/recurrent-funding/technical-guidance-and-funding-data/](https://www.officeforstudents.org.uk/advice-and-guidance/funding-for-providers/recurrent-funding/technical-guidance-and-funding-data/) for more information. However, we then select the best combined entry qualifications as outlined in paragraph 28. The tariff point scoring system is maintained by UCAS – see <https://www.ucas.com/undergraduate/what-and-where-study/entry-requirements/ucas-tariff-points> for more information.

27. Providers included in the typology are collated from the latest student numbers<sup>12</sup> release (relating to 2020-21 students). This data is used initially to split providers by the proportion of their higher education student FTE at Level 4 or 5, then providers with majority of their student FTE at Level 6 (or above) are grouped by the proportion of their student FTE at undergraduate level. Specialist providers are identified using the methodology from the specialist provider funding consultation (conducted in 2021 using student data from 2019-20).
28. The approach we have adopted for calculating tariff points broadly aligns with that used by the Department for Education in its 'HE Provider Tariff Groupings' within the 'Widening participation in higher education' publication.<sup>13</sup> We have selected the best combined entry qualifications for each student returned to either the HESA student records or the ILR and National Pupil Database (NPD) for the young, full-time, undergraduate, UK-domiciled population in 2020-21. This methodology uses a normalised tariff score approach, which takes students' best three qualifications on entry (where 'best' is based on the largest ratio of actual score over maximum score) but if the total maximum score of these qualifications does not equal three A-levels at the highest grade then the calculation is 'normalised' to adjust for this difference.<sup>14</sup> Using the mean provider tariff score to order providers, providers are split into thirds, weighted using student full person equivalent (FPE)<sup>15</sup>. This is different to the approach we normally take in our institutional performance calculations,<sup>16</sup> where the number of tariff points is calculated from all of a student's entry qualifications, to ensure that the provider tariff assignments are carried out on a comparable basis. For example, two students with A-level qualifications 'AAB' and 'BBBE' would be equivalent using the standard approach (136 tariff points), but our approach would take the best three qualifications (resulting in 120 tariff points for the second student).
29. Figure 4 shows the student typology, where each yellow box represents a final grouping. A list of the providers in each group can be found in the annex. While we expect all groupings to be used in summary analyses, there may be occasions where data is not available for all providers listed and, in these cases, we would expect users to collapse groups together to ensure robust comparisons could be made.

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<sup>12</sup> See [www.officeforstudents.org.uk/data-and-analysis/student-number-data/](http://www.officeforstudents.org.uk/data-and-analysis/student-number-data/) for more information. Student numbers data downloaded on 22 August 2022.

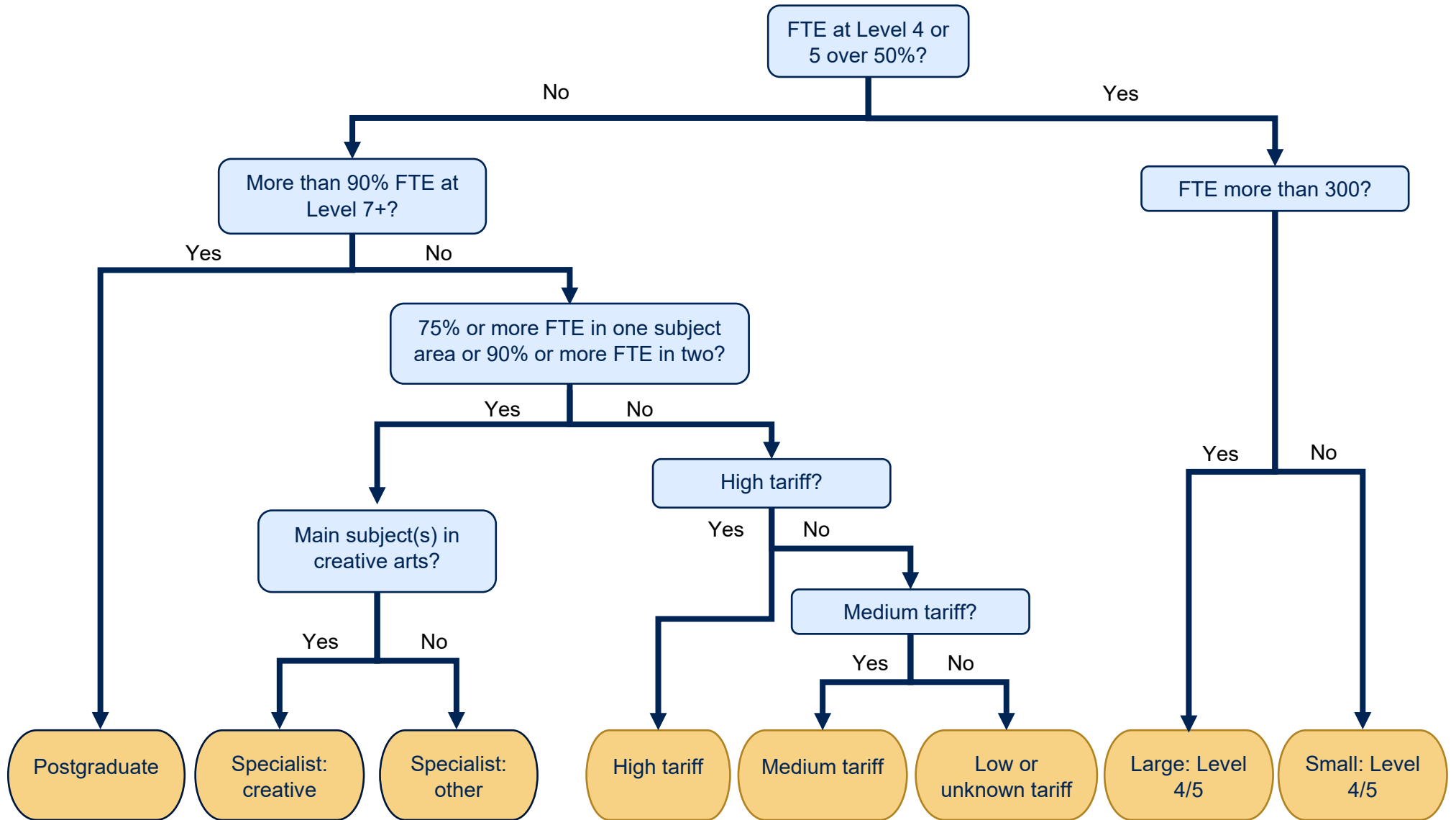
<sup>13</sup> See [Widening participation in higher education, Methodology – Explore education statistics – GOV.UK \(explore-education-statistics.service.gov.uk\)](https://www.gov.uk/explore-education-statistics/methodology) for more information. Full methodology available on request.

<sup>14</sup> Additional qualifications (where available) are added to the calculation if they improve the normalised score calculated.

<sup>15</sup> As described, there are two 'cut-offs' calculated for 'High', 'Medium' and 'Low' assignments. We do not use tariff points in this calculation; however, the equivalent tariff point thresholds would be 126 tariff points for 'High tariff' providers and 110 tariff points for 'Medium tariff' providers.

<sup>16</sup> See IPTARIFF in the 2022 core algorithms documents, available at [www.officeforstudents.org.uk/data-and-analysis/institutional-performance-measures/technical-documentation/](http://www.officeforstudents.org.uk/data-and-analysis/institutional-performance-measures/technical-documentation/).

Figure 4: Flow chart to map the student typology provider grouping



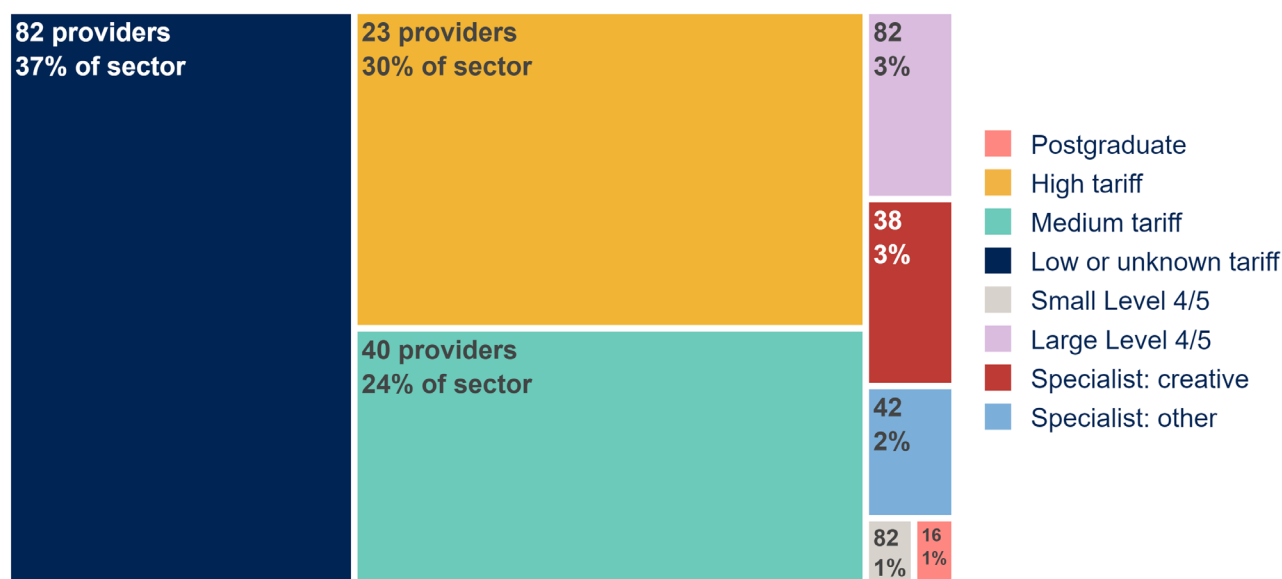
30. The first level splits providers by proportion of the number of higher education students counted using full-time equivalent (FTE)<sup>17</sup> at Level 4 or 5. The providers with a majority of FTE at Level 4 or 5 are further split into two groups: 'small' where the total FTE is less than 300 and 'large' otherwise. The threshold of 300 FTE has been chosen because it segregates the Level 4 or 5 providers into two reasonably sized groups and aligns with the definition of a 'micro-provider' set out in secondary legislation.<sup>18</sup>
31. The second level identifies providers with the majority of their provision at Level 6 or above as postgraduate providers if more than 90 per cent of registered students were studying for a postgraduate qualification. These providers will not be using Level 3 qualifications as the basis for admission for the vast majority of their students and so tariff points will be less relevant than for other providers with a majority of provision at Level 6 or above.
32. The third level identifies specialists from the remaining providers using the same method as in the financial typology. Specialist providers are likely to place greater weight on auditions, portfolios or similar in making admissions decisions, and this is not captured in tariff points. The specialist group is large and has been split on the basis of subject specialism by splitting creative arts specialists from others.
33. The fourth level assigns the remaining providers based on the average tariff of their students (see paragraph 28) and splits providers into 'High', 'Medium' and 'Low and Unknown' tariff groups.
34. Figure 5 shows the segmentation of the student typology across OfS-registered providers. As for the financial typology, the groups with the largest number of providers are those with the majority of their provision at Level 4 or 5 – 82 small Level 4 or 5 providers and 82 large providers. As before, these represent only a small proportion of the sector – at 1 per cent and 3 per cent of the sector student FTE respectively. The largest student FTE is in the group with the majority of provision at Level 6 and above and low tariff (37 per cent) which also contains the largest number of providers amongst the group with the majority of provision at Level 6 and above (82).

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<sup>17</sup> Full-time equivalent assigns a proportion to a person based on the amount of time they study relative to a full-time student. A full-time student is 1 FTE, whereas a student studying half the amount of time as a full-time student would be 0.5 FTE.

<sup>18</sup> See part 4. Exemption for micro-entities in The Higher Education (registration Fees) (England) Regulations 2019 ([www.legislation.gov.uk/uksi/2019/543/contents](http://www.legislation.gov.uk/uksi/2019/543/contents)).

**Figure 5: Tree map scaled by proportion of total higher education FTE for student typology provider groupings**



35. Where providers have no/low population data for the calculation of tariff group, they have been grouped with the 'Low and unknown tariff' provider group. For data showing how providers were grouped, see the Annex or data download.

### Testing the robustness of the data

36. Since these typologies are created from a data snapshot (typically the most recent year of data), and are intended to be used for multiple years before being updated, we have considered the impact of our choice of year, and our decision to use one year rather than multiple years of data.

37. When comparing the typologies created using 2020-21 data to those created using 2019-20 data, there was some movement of providers between the groups. For both the financial and student typologies, around 90 per cent of providers remained in the same group in both years. This reassures us that there is not significant variation in the allocation of providers to groups year-on-year.

38. Similar analysis was conducted to understand the picture if we had combined three years of data to create the groupings. In this case, 92 per cent of providers were in the same student typology group as when using the 2020-21 data, and 95 per cent of providers were in the same financial typology group. We have decided to use the most recent year of data available to ensure that the groupings reflect the most up-to-date information we hold on the providers currently registered.

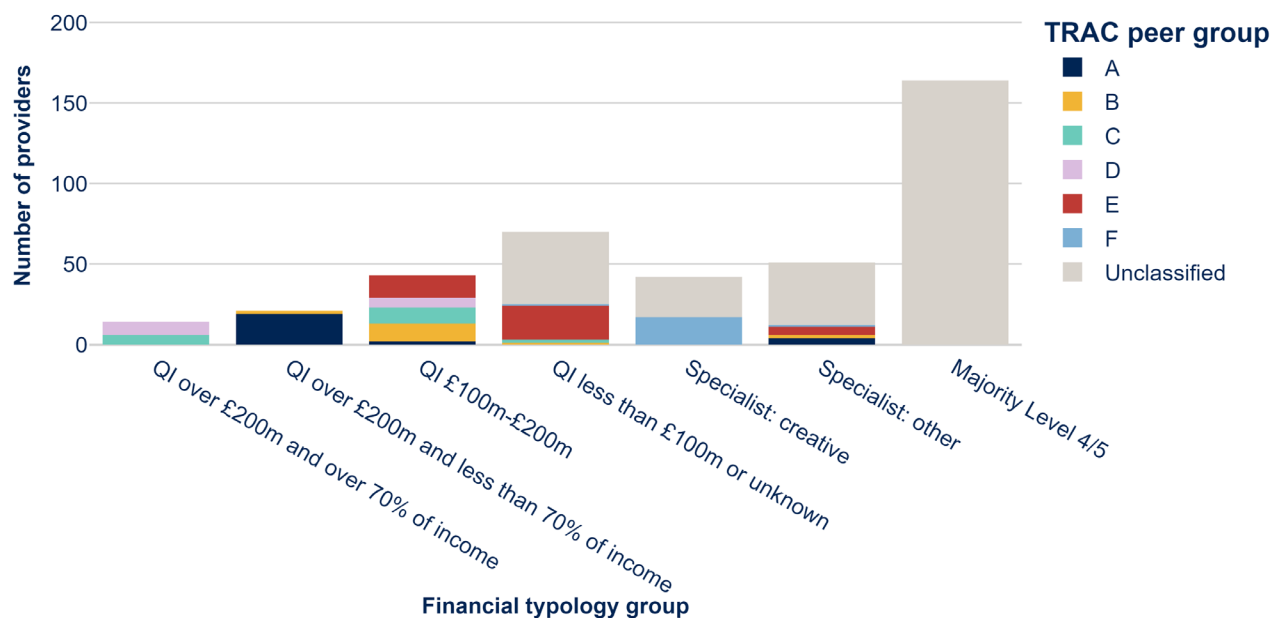
39. It is not surprising that there is movement year-on-year of providers between groups as there will always be providers that sit close to the boundaries between groups. However, we are satisfied that this movement is not excessively high, especially since the purpose of these groupings is to give us a sense of what is happening in groups of similar providers, rather than focusing on individual providers.

## Comparing typologies

### Comparison with Transparent Approach to Costing (TRAC) peer groups

40. Figure 6 compares the financial typology with the provider grouping used for TRAC<sup>19</sup>. This shows some movement of providers between tariff categories and specialist categorisation, which is to be expected as they are using differing methodologies.

**Figure 6: Comparison of financial typology groupings with TRAC grouping**

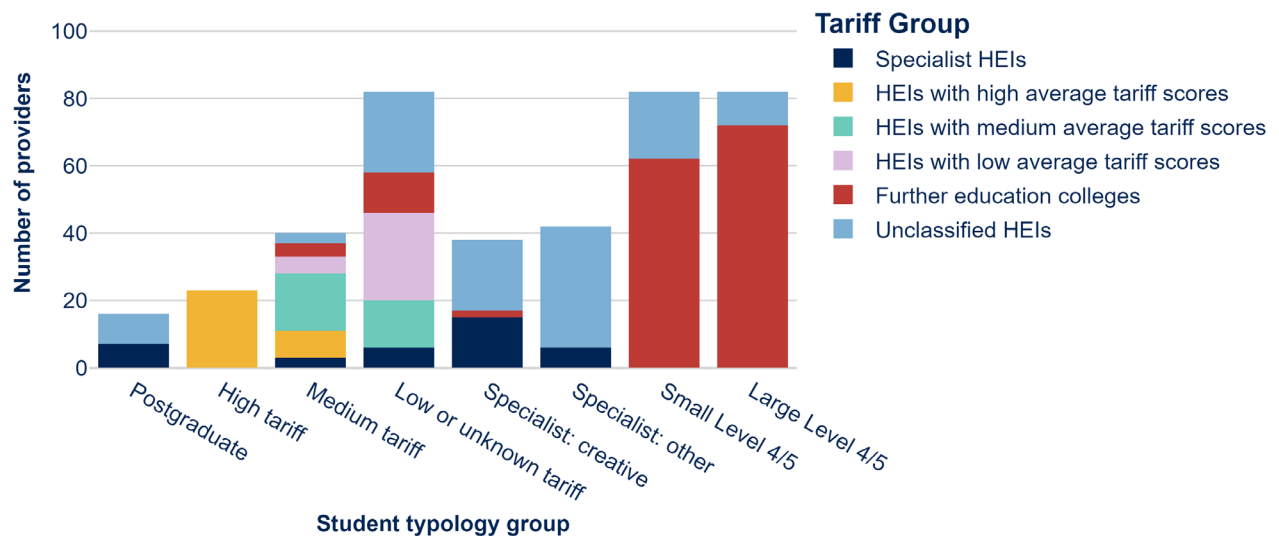


### Comparison with tariff group

41. Figure 7 compares the student typology with the tariff grouping previously used. This shows some movement of providers between tariff categories and specialist categorisation, which is to be expected as they are using differing methodologies.

<sup>19</sup> See <https://www.trac.ac.uk/tracguidance/> for more details about TRAC and Annex 4.1b for the most recent list of providers by TRAC peer group.

**Figure 7: Comparison of student typology groupings with 2014-15 tariff grouping**



Note: HEI stands for 'higher education institution' and this is not a term now used by the OfS.



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