



Michelle Donelan MP
Minister of State for Universities

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09 August 2021

Dear Lord Wharton,

Thank you for your continued support as we approach results day 2021. Students and staff have worked tremendously hard in the last year in these unprecedented circumstances.

Last year the sector responded quickly and decisively to accommodate a larger intake, with the support of additional funding from Government. This year, we anticipate a greater interest in places on popular courses that are key to the country's recovery from the pandemic. In recognition of the unprecedented situation affecting entry to undergraduate courses, we will again provide up to £10m of additional funding for the Strategic Priorities Grant. I want to take the opportunity to provide guidance to the Office for Students, as referred to in section 2(3) of the Higher Education and Research Act 2017 (HERA), setting out the principles which should be followed in distributing the funding.

The OfS should follow the principles below in allocating this funding:

- Allocations from this additional sum should only be made to support providers who have taken on additional undergraduate students studying high cost subjects.
- The funding should be allocated by a formula, with all approved (fee cap) providers eligible to receive it where there is evidence of an overall increased funding requirement arising from taking additional students in high cost subjects¹.
- Within these subjects, priority should be given to supporting medicine, dentistry, veterinary sciences, nursing and other healthcare courses, as well as laboratory-based subjects. These subjects are vital for society and the economy, and are often particularly expensive for providers to deliver.
- The funding allocations should be made on the basis of student volumes in high cost subjects. Providers should not receive additional funding on the basis of students recruited in other subjects.
- This additional funding will also cover pressures as a result of any student

¹ This refers to high cost subjects as currently covered by the OfS's high cost subject funding allocation and nursing midwifery and allied health allocation.

appeals, and so should not be allocated until after the appeals process has concluded.

- When assessing the changed funding needs of the sector, we do not expect the OfS to make any reductions to the allocations already made to providers recently, as this would create further uncertainty for providers.

As you will be aware, we are working together to provide an incentivised scheme for supporting prospective students to move from medical schools where there is oversubscription to those with sufficient capacity. We hope this will go some way to reduce the burden on medical schools.

The Government has agreed that for this academic year only, providers that can accommodate an increase to medical and dentistry places for domestic students that have met the conditions of their offer and who hold a firm or insurance offer at an oversubscribed university, will be supported to do so, regardless of whether they are over or undersubscribed. Providers should do so whilst also ensuring teaching, learning and assessments standards are maintained as well as GMC medical safety standards and Health Education England clinical training capacity. We will issue further information on this in due course.

OfS should continue to work with DfE to find proportionate ways of reporting on the impact of additional funding. I expect that the additional students will be counted for funding in the same way as all other students for future academic years.

I welcome the support and efforts of HE providers, including medical and dental schools, in managing this process. I am grateful for your continued help and support as we manage the range of challenges arising from the pandemic.

Yours sincerely,

A handwritten signature in black ink, reading "Michelle Donelan". The signature is written in a cursive style with a long, sweeping underline.

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