

18 November 2020

Dear [accountable officer]

Additional recurrent and capital funding for 2020-21 and monitoring of medical and dental intake targets: initial decisions

This letter is to notify you of decisions we have taken, in the light of responses to our recent consultation, on the approach to distributing additional capital funding for 2020-21 and the monitoring of medical and dental intake targets.

The consultation (OfS 2020.45¹) set out, and invited comment on, our proposals for distribution of additional recurrent and capital funding for the financial year (1 April to 31 March) 2020-21, and on monitoring of medical and dental intake targets. We received 39 responses to our consultation, which closed on 9 November 2020.

In summary, on the additional capital funding, we are making the following changes to the approach set out in OfS 2020.45:

- a. Eligibility of providers to bid. Paragraph 29 of OfS 2020.45 set out the proposed criteria for providers to be eligible to bid for capital funds. We are amending the second criterion, in light of comments that our proposed criterion may be unfair to providers that have increases in the highest cost subjects, but without an overall increase across price groups A to C1 collectively. The criterion now reads (with the changed wording shown in bold):

‘The provider has an overall increase in 2020-21 OfS-fundable full-time or part-time undergraduate FTEs in **at least one of the** price groups A to C1, compared with the equivalent FTEs that have informed our formula recurrent and capital grants for 2020-21.’

¹ See www.officeforstudents.org.uk/publications/additional-funding-for-2020-21-and-monitoring-of-medical-and-dental-intake-targets/.

- b. Bidding template. The draft bidding template (Annex B of OfS 2020.45) proposed collecting information on increases in full-time and part-time undergraduate FTEs in each price group A to D. However, our proposed eligibility criteria for and approach to prioritising bids were concerned with growth in price groups A to C1 and this remains the case. Therefore, we do not require bidders to submit information in the bidding template on growth in price groups C2 and D and we will disregard these price groups in our assessment.
- c. Bidding guidance. We have updated our guidance on the bidding process to provide greater clarity in some areas where this was requested in consultation responses, including in particular on the approach to the assessment and scoring of bids. **The updated guidance on the capital bidding process is provided at Annex A to this letter²** – this supersedes the guidance on which we consulted.

Bids from eligible providers for additional capital funding must be received by **1700 on 30 November 2020**.

We confirm the revised approach to the monitoring of medical and dental intake targets as set out in paragraph 43 of OfS 2020.45. While this approach was welcomed by respondents, many also sought clarification of how intake targets would apply for 2021-22, given the potential impact of deferred applicants for 2020-21 on the places available for new applicants for 2021-22. We are working with government to ensure we can provide guidance on this as a matter of urgency.

We have provided a summary of the responses we received to our consultation relating to capital funding and the monitoring of medical and dental intake targets in Annex B to this letter. This also provides further details on the decisions we have taken in response.

We will announce separately our decisions on the approach to the distribution of additional recurrent grant. We expect this to be in the new year, so that our decisions can also be informed by an understanding of 2020-21 student numbers across the sector, as reported in the 2020 Higher Education Students Early Statistics survey (HESES20).

Further information

You need not reply to this letter. If you have any questions about it, please email additionalcapitalfunding2020-21@officeforstudents.org.uk.

Yours sincerely,

Nolan Smith
Director of Resources and Finance

² Annexes A and B to this letter are available at www.officeforstudents.org.uk/publications/initial-decisions-additional-funding-for-2020-21-and-monitoring-of-medical-and-dental-intake-targets/.