



Rt Hon Gavin Williamson CBE MP
Secretary of State

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Notification to the Office for Students (OfS) by the Secretary of State for Education to set terms and conditions for the allocation by OfS of funding for world-leading specialist providers in the 2021/22 Academic Year

On 19th January 2021 I issued guidance to the Office for Students (OfS) setting out the funding available to OfS for the 2021-22 financial year, and guidance on how OfS should plan to allocate funding across the 2021/22 academic year, noting that this is subject to the funding amounts to be agreed for future financial years.

This letter contains further guidance to the OfS under section 2(3) of the Higher Education and Research Act 2017, and terms and conditions of funding under section 74(1) of that Act. In giving this guidance and determining the terms and conditions of funding I have had due regard to the need to protect the institutional autonomy of English higher education providers.

The guidance of 19th January stated that of the total £1.3bn recurrent funding being made available, £53.4m¹ should be allocated for the 2021/22 academic year as part of the OfS' 'funding for specialist providers' allocation (an increase of £10m from 2020/21) and I welcomed OfS' proposed review of which providers would be eligible to receive this funding.

Subsequently the OfS has advised that this review cannot be concluded before the start of the academic year. Delaying the allocation of this funding stream until a full review is completed would create uncertainty for those providers who currently receive this funding allocation. I consider it important that these world-leading specialist providers receive confirmation of their funding levels in good time for the 2021/22 academic year. Moreover, consistent with the intent of my 19th January guidance, they should receive a significant uplift to their funding in the 2021/22 academic year.

However, I also understand that the proposed review of providers eligible for funding for specialist providers may change the providers within scope. I wish to ensure that any providers who may be newly eligible to receive this allocation after the review have the potential to receive some specialist funding in 2021/22.

Therefore, the OfS should conduct its review of the eligibility of providers for specialist provider funding at the earliest possible opportunity, so that some funding can be made available to any

¹ The guidance letter of 19th January presented rounded figures.

providers newly deemed eligible. In the interim, in accordance with the terms and conditions below, the OfS must allocate £43.4m to the existing group of providers receiving funding for specialist providers in the same way as in AY2020/21, plus an additional £5m for this group. The OfS must reserve a further £5m to be allocated to eligible providers after the review. This money could be distributed to those on the current list or to providers who enter the list after the review.

This position will ensure that providers on the current list who are reliant on this funding have assurances regarding their overall grant amounts in good time for the start of the academic year, whilst also ensuring that any providers found to be eligible following the review are able to receive some specialist funding in the 2021/22 academic year.

Accordingly, I set out in Annex A the terms and conditions of funding, made under section 74(1) of the Higher Education and Research Act 2017, that apply to the Strategic Priorities Grant funding allocated to OfS for distribution to specialist providers for the 2021-22 financial year.

Finally, I would like to be explicit that while I fully support the review, as there may be a small number of specialist institutions who were not placed on the list at the time but who now would be considered world-leading, there should be no watering-down of the 'world-leading' criterion, and, accordingly, I would not expect to see a large-scale expansion of the list of eligible providers. Our support for genuinely world-leading institutions is critical to the UK's success and I expect the OfS to stand unequivocally for excellence and high standards in all that it does.

A handwritten signature in blue ink, appearing to read 'Gavin Williamson', with a large initial 'G'.

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Secretary of State for Education

Annex A: Additional Terms and Conditions of funding

Preamble

- A. The OfS intends to review which providers are eligible for funding for specialist providers ('the **Review**'). The Review is to be completed during the 2021/2022 academic year.
- B. Subject to any further guidance, directions or terms and conditions of funding from the Secretary of State, the OfS will determine the method by which the funds referred to in paragraph 2(b) are allocated for 2021/2022, including to any providers who are newly eligible to receive funding for specialist providers as a result of the Review.

Terms and Conditions

1. These terms and conditions apply to the grant of £53.4m allocated by the Secretary of State to the Office for Students (**OfS**) for distribution to world-leading specialist higher education providers for the academic year 2021/2022 (the **Grant**).
2. The Grant is made to the OfS subject to the following:
 - a. The OfS must allocate £48.4m of the Grant to those providers identified as eligible for specialist provider funding by HEFCE in 2015-16, at the same time as it allocates other elements of the Strategic Priorities Grant. Providers meeting this description are listed at Annex B.
 - b. The OfS must allocate the remaining £5m of the Grant following the Review but within the 2021/22 academic year, with priority given to any providers newly made eligible to receive funding for specialist providers.
 - c. If the OfS does not comply with paragraphs 2(a) or (b) above the Secretary of State may require the repayment of the whole or any part of the Grant still held by the OfS.
3. The Secretary of State may revise these terms and conditions as appropriate, especially to take account of changes to the funding allocated by HMG to the OfS for distribution to providers in the 2022-23 financial year.

Annex B: List of world-leading specialist providers deemed eligible for specialist funding following the review by HEFCE in 2015

- Courtauld Institute of Art
- Cranfield University
- Guildhall School of Music & Drama
- Harper Adams University
- London School of Hygiene and Tropical Medicine
- Royal College of Music
- Royal Northern College of Music
- The Conservatoire for Dance and Drama
- The Institute of Cancer Research: Royal Cancer Hospital
- The National Film and Television School
- The Royal Academy of Music
- The Royal Central School of Speech and Drama
- The Royal College of Art
- The Royal Veterinary College
- Trinity Laban Conservatoire of Music and Dance
- University of the Arts, London